The Financial Times, October 15, 1976

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Lebanon peace hopes dim

Prospects for an Arab summit on Monday to end the war in Lebanon dimmed as the big Syrian offensive against the Palestinians and their Left-wing allies intensified.

There were unconfirmed reports that the air force went into action for the first time.

It was announced that President Hafez al Assad of Syria would not take part in the planned gathering but would send Mr. Abdel Halim Khaddam, his Foreign Minister. Back Page

Hailsham warns on totalitarianism

A written constitution setting limits on Parliamentary power is needed to halt Britain's slide towards totalitarianism, Lord *Hailsham said in the Richard* Dimbleby memorial lecture on BBC TV. Back Page; Lombard, Page 2; Page 11

'Lift political curb'

Restrictions on civil servants participating in political activities should be lifted, major Civil Service unions said. Page 12

Lorry threat

Drivers in Birmingham are refusing to take out lorries from Monday which are fitted with *tachographs, mileage and time* recording instruments. Page 12

Spain strike plan

Illegal labour organisations in Spain plan a general strike to protest against Government measures limiting pay increases and giving employers greater freedom to dismiss workers. Page 4

Labour fight

A straight fight between Mrs. Shirley Williams and Mr. Michael Foot appeared certain in the election for deputy leadership of the Labour Party after Mr. Anthony Crosland, Foreign Secretary, said he would not be a contender and indicated support for Mrs. Williams.

Dame Edith dies

The actress Dame Edith Evans died aged 88. Page 3

Feather service

Politicians, union leaders, diplomats and trade unionists attended a thanksgiving service in St. *Martin-in-the-Fields* for Lord Feather, former general secretary of the TUC. Page 12

Ford cleared

The Watergate Special Prosecutor cleared President Ford of any wrongdoing in connection *with his campaign financing* while a Congressman from Michigan. Page 5

Ship rides gales

The sail training schooner Sir Winston Churchill went missing for a time as torrential rain and gale-force winds lashed many parts of Britain. Reports said the 300-ton ship was riding out the weather and would head for Swanage or Weymouth when conditions improved.

Briefly . . .

Continued support for the Thames barrier project, despite public expenditure restraints, came from Mr. John Silkin, Agriculture Minister.

Special week to promote a greater understanding of fostering children is to be launched on *Monday by the National Foster* Care Association.

Two diseases arising from exposure to vinyl chloride monomer, the chemical *from which PVC is* made, have been designated as industrial diseases. Page 8

Women who are the main breadwinners *in their families* should have the same access to welfare benefits as men, Baroness Vickers, Tory peeress, said. *Parliament*, Page 16

BUSINESS

Equities lower in unsettled market

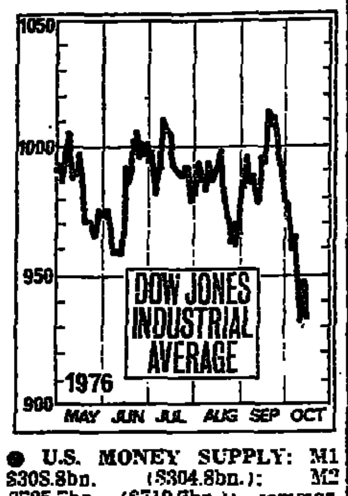
● EQUITIES lost ground, with scattered selling in an unsettled *market*. FT 30-Share Index down 4.7 at noon, closed at 289.0, off 2.9 on the day.

● GILTS regained earlier losses at the long end of the market, but short-dated stocks finished with falls extending to ¼.

● STERLING closed at $1.6400, down 1.45 cents on the day. Its trade-weighted depreciation widened to 45.6 (45.1) per cent.; dollar's narrowed to 2.57 (2.72).

● GOLD was unchanged at $114.875.

● WALL STREET gave up most of Wednesday's gains, falling 12.38 to 935.92.



● U.S. MONEY SUPPLY: M1 $308.8bn. ($304.8bn.); M2 *$725.7bn. ($719.7bn.); commer*cial and industrial loans up $158m. (up $163m.); key interest rates 5.02 (5.17) per cent.; 90-119 day paper 5.19 (5.25 per cent).

New dispute at Ford

● NEW DISPUTE arose at Ford's Dagenham plant after the *company dismissed three men in* the wake of violent incidents at the factory last month. Shop stewards objected to the way in which disciplinary procedure was used.

● PETRO-SAVING motor oil, said to cut fuel consumption by nearly 7 per cent., was launched by BP Oil. Page 10. OFFSHORE oil group which includes Occidental and Thomson North Sea *is to sell up to 51 per cent. of* output to BNOC under a new State participation deal. Page 8

● MINERS' leaders will have further talks with the National Coal Board after the Board's rejection of demands for a lower retirement age. Back Page

● TWO GERMAN shipping companies have launched a bid to upset Cunard's $102m. ship purchase deal with Maritime Fruit Carriers. Back Page

● TELEFUSION is to raise rental charges on colour TV sets *by up to 6 per cent.—an average* increase of 10p a week. Page 11

● EGG PRICES will fall next week, said the Goldenlay consortium. Page 39

Friedman wins Nobel Prize

● PROFESSOR MILTON FRIEDMAN, *the most influential* exponent of monetarist policies, has been awarded the 1976 Nobel Prize for Economics. Back Page. Editorial Comment, Page 22

● COMMITTEE of inquiry under chairmanship of Lord Cross of Chelsea will investigate the *regulatory* procedures of the accountancy profession. Page 8

COMPANIES

● DAVID CHARLES shares have been suspended and receivers appointed to 16 group subsidiaries. Page 11

● SEARS HOLDINGS made lower pre-tax profit of £14.98m. (£18.91m.) *in* the half-year to July 31. Page 27 and Lex

September £365m. trade gap third worst this year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Britain's visible trade deficit increased by £72m. to £365m. in September—a gap only exceeded twice in the past 12 months.

The figures, officially described as a "litle disappointing," led to an immediate sharp drop in sterling. But the pound, which had already fallen in the morning, *recovered quickly to close above* the worst at $1.6400, down 1.45 cents on the day.

The rise in the deficit reflected a large increase in imports even though there were no special factors, such as big North Sea oil installations which adversely affected the summer months.

Exports also picked up to some extent from the low levels of previous motnhs, but the underlying volume trend is still very sluggish.

After a surplus on invisible items of £160m., last month's current account deficit of £205m. takes the total for the first nine months of the year to £1.29bn.

Consequently, it is conceded in Whitehall that the official *forecast last April* of a current account deficit in 1976 similar to last year's £1.67bn. is now looking rather too optimistic.

If the September deficit continues for the last three months of the year, the gap for 1976 as a whole would be nearly £1.9bn., which is what the National Institute estimated in its most recent quarterly review.

No one in Whitehall is making any forecast about the outcome either this year or next. But there are obvious hopes that

BALANCE OF PAYMENTS

Seasonally adjusted £m.

		Visibles	Invisibles	Current account
1975	1st	−852	+400	−452
	2nd	−681	+315	−366
	3rd	−989	+428	−561
	4th	−682	+388	−294
1976	1st	−473	+434	−39
	2nd	−1,040	+487	−553
	3rd	−1,185	+480*	−705
March		−27	+145	+118
April		−315	+162	−153
May		−374	+163	−211
June		−351	+162	−189
July		−527	+160*	−367
August		−293	+160*	−133
Sept.		−365	+160*	−205

* projections

Britain's trade prospects could emerge as an encouraging feature (possibly the only one) of the Treasury forecasting exercises now under way, in view of rate of development of North Sea oil and the growth of world trade.

A worrying feature at present, however, is the export performance, with a drop of 3 per cent. in volume in the third quarter compared with the previous three months, even after a 3½ per cent. rise in September.

This contrasts with earlier hopes of a strong growth in exports spearheading general economic expansion.

The view in Whitehall remains, as it has for the past two months, that this setback is no more than a temporary lull linked to the slower recent rise in world trade. It is stressed that various Government and CBI surveys, and strong price competitiveness, all point to a resumption of export growth.

Despite the check in overall economic recovery, imports have *been very firm, with a rise in* volume of 7 per cent. last month and little change over the third quarter as a whole, as against a drop in exports.

While imports of industrial materials have been fairly flat, in line with industrial production, imports of finished manufactured goods have been more buoyant, including cars and other items.

This may be because U.K. companies *have been stocking* up on imports of certain finished goods as a precaution against the possible introduction of some *form of import curbs, which has* been much discussed.

The September figures show no net impact from special factors, with favourable movement in diamonds and ships largely

Continued on Back Page
Editorial Comment, Page 22.
***Balance of payments table,* Page 8**

Pound drops 1½ cents to $1.64

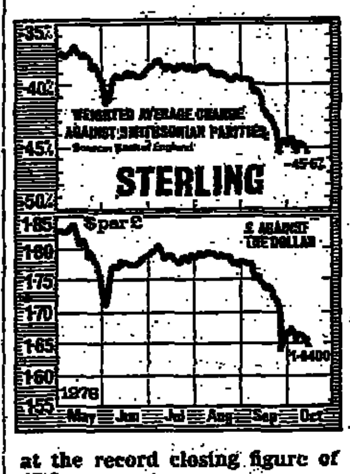
BY MICHAEL BLANDEN

THE POUND dropped sharply yesterday, in nervous foreign exchange markets, ahead of the announcement of last month's trade figures.

At one stage, sterling was a full 2 cents down on *the* previous night's level at around $1.6345, with initial concern over what action the miner's might take over early retirement, adding to the general uncertainty.

The pound picked up later to end the day's dealings in London with a fall of 1.45 cents at $1.64.

The effective depreciation against other leading currencies again *touched* the record level of 45.7 per cent. compared with December 1971. At the end of the day it stood



at the record closing figure of 45.6 per cent.

The weakness of sterling contributed to uncertainty in the gilt-edged market and provided a poor background for the issue yesterday of the £1bn. of new Government stocks announced last week.

It was thought in the market that the institutions might have subscribed for up to £100m. of the new £600m. long "tap" stock which, with a record yield of over 16 per cent., was designed to take advantage of *the new level of* interest rates established after the jump in the Bank of England's minimum lending rate.

This was regarded as slightly disappointing in the light of the official emphasis *on the need to sell gilt-edged* stocks in order to bring the money supply under control and in comparison with the *oversubscription of* the previous long stock issue.

£ in New York

—	Oct. 14	Previous
Spot	$1.6380-6390	$1.6550-6560
1 month	2.07-2.02 dis	1.85-1.80 dis
3 months	5.51-5.46 dis	5.36-5.30 dis
12 months	16.00-15.90 dis	15.85-15.75 dis

Monopolies Commission says . . .

Eurocanadian should sell Withy shares

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE MONOPOLIES Commission has recommended that the Bermudan-registered Eurocanadian Shipholdings should reduce its shareholding in Furness Withy, one of Britain's leading shipping companies, so as to prevent the *exercising of any control or* major influence.

In the public interest it is proposed that "over a reason*able period* of say two years" Eurocanadian should reduce its ordinary shareholding from 24.9 per cent. to 10 per cent. and that it should not in the meantime exercise voting rights representing more than 10 per cent.

Apart from barring Eurocanadian from increasing its holding in Furness Withy, the Commission also says that Eurocanadian's current 37.6 per cent. stake in Manchester Liners, a *Furness Withy subsidiary, should* be the maximum permitted.

These findings appear to sound the death knell for Euro*canadian's strategy* which began to unfold last autumn aimed at bringing about a merger between its own North Atlantic operations and those of Manchester Liners. The method chosen was to seek by means of its shareholding a substantial representation on the Board of Furness Withy which has a 61.6 per cent. stake in the Manchester-based company.

The findings were announced in the Commons yesterday by Mr. John Fraser, Minister for Prices and Consumer Protection and, in line with the Fair Trading Act, the Director General of Fair Trading has been asked to discuss the implementation of the Commission's *report with Eurocanadian* whose major shareholder, Mr. Frank Narby, is believed to be in Britain at the moment.

Furness Withy's share dropped 15p to 129p after publication of the report yesterday. This is more than 70p below the average price paid by Eurocanadian when it built up a 20.6 per cent. shareholding in Furness Withy with an option on another 8.2 per cent. With its shares in Manchester Liners, Eurocanadian invested about £20m. in the two companies.

The Commission took nearly eight months to complete work on a reference made by the former Secretary for Prices, Mrs. Shirley Williams. It based its *conclusions firmly on the notion* of protecting the public interest and decided that:

1—With a 20.6 per cent. hold*ing and an option to increase its* shares Eurocanadian was in a position materially to influence Furness Withy's policies and this in itself created a merger situation worthy of investigation.

2—Eurocanadian's stated intention to build up a 29.9 per cent. holding with a proportional representation on Furness Withy's Board would enable it to control the British company's policies.

3—Once on the Board, Eurocanadian would use its representation to seek control by its Cast group of companies of Manchester Liners North Atlantic container operations.

Such a proposed merger would clearly be against the public interest, states the report.

The report reveals that a month before the reference to the Commission was made, agreement in principle was reached between Mr. Narby and Furness Withy's adviser Rea Brothers, on a share and ship deal which would have transferred Manchester Liners to Eurocanadian.

Monopolies Commission report details, Page 16

Callaghan welcomes call for import curbs

BY ADRIAN HAMILTON

MR. JAMES CALLAGHAN, the Prime Minister, yesterday gave an immediate and enthusiastic *response to the joint CBI-TUC* initiative on selective import action.

But although he promised *careful consideration and urgent* discussion of the memorandum Mr. Callaghan refrained from suggesting any major change in the Government's reluctance to introduce general import controls.

As Mr. Healey and other Ministers repeated several times during question time in the Commons, any action is likely to be confined to strengthening anti-dumping measures and imposing selective controls only where severe damage to a domestice industry can be proved.

This has long been Government policy and is *consistent* with the limited action proposed in the CBI-TUC memorandum.

What Mr. Callaghan's carefully publicised response may herald is another push by Government to try to introduce specific action, such as that recently taken on Far Eastern *shirt imports, with greater speed.*

The Prime Minister is also preparing to urge strong concerted EEC action to regularise *trade with Japan at the next* EEC summit in November.

The areas picked out by the

***Chambers of commerce criticise economic policy.* Page 8.**
Jack Jones calls for curbs on prices Page 12

TUC and CBI as of most sensitivity are electronics (such as components and television sets), cutlery, footwear, motor cars, paper and board.

It is in these areas that industrialists as well as union leaders are in most agreement on the need for action.

Industries are being urged to pursue bilateral voluntary arrangements, particularly with Japan. Such voluntary restraint will be the major subject of a visit by the Japanese industrialists organisation early next *week. They will meet the Prime* Minister, senior Ministers, the TUC and the CBI.

Lord Watkinson, the CBI presi*dent, last night singled out* Japan for special criticism. "We cannot accept the deep penetration of our market which puts *some of our industries in* jeopardy and at the same time find our own path to the Japanese consumer rather less than open."

The Association of British Chambers of Commerce decided to send an open letter to the Prime Minister demanding a radical change in economic policy and accusing it of failing to keep faith with its own words.

Much of what the chambers of commerce urged a cut in public expenditure, monetary targets, and encouragement for industry—is similar to the points made in the CBI's "Road to Recovery" document due to be published next week.

Metal fasteners and ice creams referred

THE ice cream industry and metal fasteners industry were yesterday referred to the Monopolies and Mergers Commission by the Office of Fair Trading. Metal fasteners include screws, nuts and bolts.

In making the reference Mr. Gordon Borrie, new director general of the OFT, said he was "satisfied there is substantial *evidence of a monopoly or that* there is public interest in an enquiry of the kind that only the Monopolies Commission can con*duct into the activities of* the companies concerned with these particular products."

Selected for special scrutiny are Walls, a subsidiary of Unilever, and Lyons Maid, who the OFT claims jointly take over 80 per cent. of the £200m. a year ice cream market; and GKN which, says the OFT, is believed to account for more than 25 per cent. *of all metal fasteners but* does not have a monopoly in each of the five descriptions of goods covered in the reference.

All three companies immediately protested that the references were unnecessary. The OFT has asked that the commis*sion should report* in 18 months on ice cream and two years on metal fasteners.

Italy may decide to-day to lift currency surcharge

BY DOMINICK J. COYLE ROME, Oct. 14.

THE ITALIAN Cabinet will decide to-morrow on whether to lift the temporary surcharge on foreign currency transactions as scheduled from this week-end. A *number of Ministers believe that* if the special 10 per cent. tax is to be abolished then some alternative steps in support of the lira will be necessary, possibly a further tightening of exchange control regulations.

The surcharge, which has come under sharp criticism from the EEC commission in Brussels, was introduced as a crisis measure on October 1, together with a three-point increase to 15 per cent. in the discount rate, in order to halt the slide in the value of the lira, pending the unveiling of the minority government's long promised "austerity" package.

Part of that package has since been announced, including higher petrol prices and the suspension of threshold payments for some relatively few higher paid workers, but this has had little obvious influence on the exchange rate of the lira against most major currencies, despite the generally artificial state of the market resulting from the 10 per cent. surcharge. The rate against the U.S. dollar at to-day's Milan fixing was virtually unchanged at 842.

The decision to raise charges for a range of public services, *including electricity and post* and telegraph tariffs, which was to have been made by the Government to-day, has now been postponed to allow further talks with the trade unions.

A number of Ministers believe that some further temporary measures are essential to defend the lira if the special two-week surcharge is to be lifted this *weekend. One alternative course* would be to let the currency float freely, at least for an interim period, but some voices in the Cabinet seemingly argue against this policy after the Bank of Italy had used such a high proportion of the country's limited reserves in an attempt to *support the lira rate for much* of this year.

Sig. Gaetano Stammati, the Treasury Minister, was among a *number of economics ministers* meeting here this evening to consider the situation in advance of a meeting to-morrow of the full Cabinet under Sig. Guilio Andreotti, the Prime Minister.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated.)

RISES

ANZ	355	+ 15
Anglo-Am. Asphalt	61	+ 6
Broken Hill Prop.	735	+ 20
Erith	53	+ 3
Glenlivet	205	+ 8
Henlys	68	+ 6
Highland Dist.	92	+ 6
Mather and Platt	110	+ 5
Sheaf Steam	81	+ 7
Thomson Org.	278	+ 14
Berry Wiggins	20	+ 3
BP	613	+ 10
Royal Dutch	£28⅞	+ ¼
Bougainville	118	+ 8
R. H. South	155	+ 13
De Beers Defd.	197	+ 5
MIM	218	+ 11
North Broken Hill	204	+ 8
Oakbridge	101	+ 6
Pancontinental	£11	+ ¼
Selcast Expln.	86	+ 8
Western Holdings	£12½	+ ½
Western Mining	166	+ 6

FALLS

Treas. 11½pc 1979 A	£93¾	− ⅛
Barclays Bank	210	− 5
Furness Withy	129	− 15
GKN	226	− 8
Harrisons & Crosfield	350	− 12
Jamaica Sugar	22	− 3
Manchester Liners	200	− 30
Mothercare	132	− 4
Smith (W. H.) 'A'	255	− 11
Anglo-Vaal	800	− 25
Southern Malayan	188	− 7

FEATURES

FT REPORT

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LOMBARD

Lord Hailsham's blockbuster

BY JOE ROGALY

LORD Hailsham is, of course, quite right. The British constitution is no longer acceptable in its present form, and it is rapidly becoming unworkable. His diagnosis, presented at peak viewing time in the Richard Dimbleby Lecture on BBC-1 last night, may have come as a blockbuster to a mass audience, but the essence of it has been expressed by many others in recent years—not least by the Prime Minister himself when he said recently that the failure of the Government's present policies could lead to "totalitarianism of the Left or Right."

The constitution we now have has ceased to be acceptable because, virtually alone among the democracies, Britain has no built-in checks and balances to protect its people against the abuse of power by the executive. As Lord Hailsham explained it, "power has centralised itself more and more in the Commons, more and more on the Government side of the House, and more and more on the front benches. . . ." This power is the base upon which rests the nearly untrammelled authority of the Cabinet, or a small group within it.

Unacceptable

In times past Cabinets were not quite so secure in their day-to-day authority. There was some check from the House of Lords. The Opposition was taken notice of. There was less legislation—far less—and more attention could be paid to the views of back-benchers.

To-day's "elective dictatorship" is unacceptable because it is not truly democratic; this is perhaps the basic explanation of the enormous gap between government and governed. It also helps to explain the forms of protest known as "separatism" or, in England, "voting Liberal." Some might say that none of this matters if the machine can operate — but our constitution has become unworkable because the prize for those who win the lotteries we call elections is a period of supreme power and this has proved a fatal temptation to ideologues who want just that so that they can reshape our society in the manner they think good for us.

It is no use protesting that the ideologues always lose out after about two years when governments are forced to U-turn towards the centre; a great deal of damage can be done in two years. And when Labour is in power its ideologues act as a brake on its pragmatic leaders, while when the Tories are in charge the hope held out to the whole Labour party that a recapture of Parliament will mean absolute authority gives added energy to the wrecking tactics they pursue with the aid of the trade unions.

Those who imagine that this unworkability is due to the ineptitude of our politicians rather than faults in the constitution itself must show plausibly how we can return to normal. Will it be the break-up of the Labour Party that does it? Will it be a Tory government? They would need a landslide in England to win an overall majority in the United Kingdom Parliament—and even if they won just that their ability either to govern or to put matters right is, shall we say, in doubt. You will accept the diagnosis of unworkability to the extent that you dismiss the unlikely hypothesis of an early return to sane and effective government under one of the major parties.

I believe that Lord Hailsham has diagnosed the problem brilliantly. His solutions are more open to debate. He rightly dismisses proportional representation as *in itself* a panacea (it is a necessary first step, which is different), but advocates PR for his proposed new Senate. This would almost certainly lead to trouble, since an Upper House elected on one set of rules with the Lower House elected on another is a recipe for frustration and conflict, as the Australians have discovered. Both Houses should be elected by PR.

But his central principle seems to be absolutely sound. If—when—the need for a new constitution becomes recognised by a wide spectrum of people the correct procedure will be to call a constitutional convention to design one. Parliament would give the convention its authority, but the people, through a referendum, would give the new written constitution its fundamental force. Once that was done the back of the problem—the absolute power of Parliament—would be broken. The politicians who control a majority in the Commons would be subject to the will of the electorate, expressed in writing, and maintained by a carefully-designed system of checks and balances. The time when everyone will say "Hailsham was right" cannot be very far off now; we must all pray that before matters deteriorate as far as that the process of designing a new constitution, peacefully and democratically, will have begun.

RACING — BY DOMINIC WIGAN

Movement could spring surprise

ANOTHER FAVOURITE for the 2,000 Guineas, Ireland's The Minstrel, will try to underline his Newmarket Classic chance in to-day's William Hill Dewhurst Stakes, but I expect him, like J. O. Tobin in Paris, to come unstuck.

The once-raced *Saros* should cause the upset. A handsome, well-grown colt by that highly promising sire, The Arc de Triomphe winner Sassafras, out of Rose Copse, Saros was a winner over 4½ furlongs in France and could hardly have been more impressive when landing the Limekiln Stakes at Goodwood towards the end of last month.

Always going well within himself on the Sussex course, Saros quickened away from the experienced Man in the Moon—from whom, admittedly, he was receiving a stone—inside the final quarter-mile to win by four lengths.

Saros, who won that race with such authority it seems probable that he would still have obliged in emphatic fashion had he met the runner-up on level terms, will be ideally suited by this stiff seven-furlong and it will take a high-class two-year-old to lower his colours.

I expect to se him outpace the Irish favourite, who is bidding to follow up two easily gained successes at the Curragh.

NEWMARKET

2.00—It's Bubbles
2.30—Serencia
3.05—Movement***
3.40—Saros**
4.10—Warbeck
4.40—Dame Foolish*

For those prepared to take a financial interest in the two-year-old handicap here, the Tattersall Nursery bottom-weight *Movement* appeals as an attractive betting proposition.

This Daring Display filly will be ideally suited by the prevailing ground conditions and could well oblige at odds of around 7-1.

John Player and Sons, among the biggest financial supporters of National Hunt racing, have added a further £5,500 to this season's Panama Cigar Hurdle series, bringing their sponsorship in the Panama events to £26,000.

Each of the 12 qualifying races will carry £1,500 added to stakes, which include an optional trophy. The final, which will again be staged at Chepstow, on March 12, will carry an extra £8,000.

This is the seventh year of this series—the richest series of races for novice hurdlers in the country. The ill-fated Killiney, whom Fred Winter considered to be the greatest horse to have passed through his hands, won the inaugural final in 1971 and was followed by such high-class victors as Celtic Cone, Dark Sultan, True Song, Border Incident and last season's winner, Winter Melody.

Still on the National Hunt theme the Tote have taken a good deal of money on the Jump Jockeys title, and they now bet Tommy Stack and John Francome 13-8, Jonjo O'Neill 6-1, Graham Thorner 10-1, Bob Davies 16-1, Jeff King and Bob Champion 20-1 and 25-1 bar.

SALEROOM — BY ANTONY THORNCROFT

£13,000 for bureau cabinet

A SALE of fine Continental furniture, Eastern rugs, and carpets held at Christie's yesterday, raised £164,655. Among a number of unexpectedly high prices was £13,000 paid by an Austrian buyer for a fine south German walnut and marquetry bureau cabinet c1740.

A Boulle armoire, substantially 18th century, sold for £10,000 to a private buyer, and E. Alexander, the Glasgow dealer, paid £6,200 for a fine ormolu mounted writing table of Louis XV design veneered in tortoiseshell. A fine 19th century porcelain mounted ormolu clock set sold for £5,200 to Nyman, and the same price was paid by a private buyer for an 18th century Dutch marquetry bureau cabinet.

A suite of giltwood seat furniture, upholstered in Aubusson tapestry, sold for £40,000 to a French buyer, Beisac.

Among the carpets a fine Kashan silk rug sold for £2,600 to Roshambin, a London dealer, and a Turkish silk and metalwork rug sold for £2,400 to another London dealer, Gumuchdjian.

At Sotheby's, a silver sale made £155,349, with Koopman paying £15,000, comfortably above estimate, for a 1,145-piece canteen of table silver made by Hunt and Roskell in the 1920s.

The London sale was overshadowed by Sotheby Parke Bernet's jewellery auction in New York where a European collector gave £512,048 for a ring with a diamond weighing 8.12 carats. This is the third highest auction price for a diamond. The sale totalled £1,264,074. A sapphire weighing 44.50 carats made £174,698.

Record prices for wines

BY EDMUND PENNING-ROWSELL

RECORD PRICES at yesterday's £34,654 wine sale by Christie's—devoted mostly to bordeaux — evoked memories of the hectic period of speculation that ended three years ago.

Many buyers were from America, Scandinavia and the Continent — taking advantage, no doubt, of the falling pound — but some at least of the highest-priced clarets should remain in Britain.

Perhaps the most spectacular price yesterday was the £180 paid for a single magnum of Cheval-Blanc '47 — more than double the previous London auction record.

A second magnum of the same wine, probably the most celebrated claret of the post-war era, went for £150, while £76 was paid for the same château's '49 — another clear record price.

Also records were the 78 paid for a single bottle of Yquem '21, the century's most famous sauterne, and the 52 for the almost as well-known '45 from the same source, in addition to the £640 a dozen for Mouton-Rothschild '45, £440 for ch. Margaux '45, £580 for Latour '47, £270 for Lafite '43, £440 for six magnums of ch. Margaux '61 and £150 for a double-magnum of Haut-Brion '61.

Pétrus brought record prices too, including £180 for the rare '20, £160 per six magnums of '64 and £280 per six magnums of '70.

Some of the little-known vintages fetched top prices too, with £400 paid for a dozen Lafite '12, while among the antiquities, a single bottle of Yquem 1861 fetched £105.

TV/Radio

† Indicates programme in black and white.

BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.30 For Schools, Colleges. 10.45 You and Me. 11.05 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 Ring a Ding. 2.02 For Schools, Colleges. 3.20 "Medden' NHW." 3.53 Regional News (except London). 3.55 Play School. 4.20 It's the Wolf. 4.25 Jackanory. 4.40 Froggie and Me. 4.55 Blue Peter Special Assignment. 5.35 Noah and Nelly in SkylArk.

5.40 News.
5.55 Nationwide.
6.45 Sportswide.
7.05 "This Island Earth."
8.30 The Good Life.
9.00 News.
9.25 The Quest.
10.40 Tonight.
11.10 Regional News.
11.11 The Friday Film: "The Five-Man Army."

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Nant-Y-Pant. 7.55 Wales Today. 7.05 Heddiw. 7.25 Simon Simon. 8.00 Her Nodiant. 9.25 "What The 'Ell Do You Want, Lavinia ?" 9.50 Kane On Friday. 10.25 Swn Y Ser. 10.55 The Gun. 11.10-11.11 News for Wales.

Scotland—10.23-10.43 a.m. and 11.30-11.50 For Schools. 5.55 Reporting Scotland. 6.20 The National Mod. 10.40 Wodehouse Playhouse. 11.10-11.11 News for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-7.05 Scene Around Six. 10.40 Talking Heads. 11.10-11.11 News for Northern Ireland.

England—5.55-7.05 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth). 10.40-11.10 North (from Leeds) The Object In Question: North West (from Manchester) Home Ground: North East (from Newcastle) Doomsday North East?; Midlands (from Birmingham) The Man In The Corner: West (from Bristol) The Factory: South West (from Plymouth) Peninsula: South (from Southampton) The Young Question: East (from Norwich) On Camera.

BBC 2

6.40-7.55 a.m. Open University.
11.00 Play School.
5.00 p.m. Open University.
7.05 Indoors Outdoors.
7.30 Newsday.
7.45 One Man And His Dog.
8.10 The Money Programme: The Shrinking Market Place.
9.00 Well Anyway.
9.30 A World Of Music.
10.15 The Expert.
11.05 Late News On 2.
11.15 Open Door
11.45-11.50 Music at Night: Anthony Goldstone (piano) plays Schubert.

LONDON

9.30 a.m. Schools Programmes. 12.00 A Handful Of Songs. 12.10 p.m. Pipkins. 12.30 Tell Me Another. 1.00 News 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Money-Go-Round. 2.25 Racing from Newmarket. 3.50 Emmerdale Farm. 4.15 The Kids From 47A. 4.45 Magpie. 5.15 University Challenge.

5.45 News.
6.00 Today.
6.35 Crossroads.
7.00 Lucky Feller.
7.30 General Hospital.
8.30 Yus My Dear.
9.00 Victorian Scandals.
10.00 News.
10.30 Police Five.
10.40 Russell Harty.
†11.30 The Friday Film: "Interrupted Journey," starring Valerie Hobson and Richard Todd.
1.00 a.m. Close—Vivienne Ross reads a poem by Gerald Manley Hopkins.

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 6.00 About Anglia. 7.00 Sale of the Century. 8.30 Lucky Feller. 10.30 Probe. 11.00 Late Night TV Movie: "Black Noon." 12.20 a.m. Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.15 Spiderman. 6.00 ATV Today. 7.00 Sale of the Century. 8.30 The Many Wives of Patrick. 10.30 Extra Time. *11.00 The War Film: "Paths of Glory" starring Kirk Douglas.

BORDER

*1.20 p.m. Border News. 6.00 Border News and Lookaround. 7.00 Follow That. 10.30 Late Night Thriller: "Berserk" starring Joan Crawford. †12.12 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 6.00 Report at Six. 7.00 What On Earth. 7.05 Jonathan Routh and Candid Camera. 8.30 Lucky Feller. 10.30 Late With [illegible]. 10.50 Late Night Movie: Rex Harrison's Three Faces of Love. †12.20 a.m. News and Weather in French.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.15 Happy Days. 6.00 Grampian Today. 7.00 Sale of the Century. 8.30 Welcome to the Ceilidh. 10.30 Friday Film: "Shane" starring Alan Ladd, followed by Road Report. 12.15 a.m. Evening Prayers.

GRANADA

1.20 p.m. What On Earth. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Kick Off. 7.05 Jonathan Routh and Candid Camera. 8.30 Sale of the Century. 10.30 For Adults Only "Inside Daisy Clover" starring Natalie Wood.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 1.30 Crown Court. 2.00 Women Only. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Lucky Feller. 7.00 Yus My Dear. 8.30 Sale of the Century. 10.30 Report Extra. †11.00 Great British Films: "No Highway In The Sky," starring James Stewart.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.15-4.45 Taro 'Mlaen. 6.00-6.15 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Women Only. 5.15 Animal Alphabet Parade—"F." 5.20 Crossroads. 6.00 Scotland Today. 6.30 Hello, Good Evening, Welcome. 7.00 Sale of the Century. 8.30 Lucky Feller. 10.30 Ways and Means. 11.00 Scottish Age Group Swimming Championships (highlights). 11.30 Late Call. 11.35 Police Story.

SOUTHERN

1.20 p.m. Southern News. 2.00 Women Only. 5.15 Weekend. 5.20 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 55 and 60). 6.00 Scene South East (Channels 10, 43, 64 and 66 only). 6.30 Out of Town. 7.00 Chopper One. 10.30 Police Surgeon. 11.00 Your Men At Westminster. 11.30 UFO. 12.25 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. North East News and Lookaround. 5.15 The Flintstones. 6.00 Northern Life. 7.00 The Sale of the Century. 8.30 Lucky Feller. 10.30 Sportstime. 11.05 The Friday Night Film: "The Blob" starring Steve McQueen. 12.40 a.m. Open Bible.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 1.40 Ulster News Headlines. 6.00 UTV Reports. 6.25 Police Six. 10.30 Sportscast. 11.00 Friday Film: "Manhunter."

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 6.00 Westward Diary and Sports Desk. 7.00 What On Earth? 7.05 Jonathan Routh and Candid Camera. 8.30 Lucky Feller. 10.32 Westward Late News. 10.35 Late With Dalton. 10.50 Late Night Movie: "Three Faces Of Love." 12.30 a.m. Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.15 The Flintstones. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Sale of the Century. 8.30 Lucky Feller. 9.00 Victorian Scandals. 10.30 Calendar Sport. 10.45 Appointment With Fear: "Scream and Scream Again," starring Vincent Price.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 Kid Jensen. 5.45 Newsbeat. 6.02 John Dunn (S) (from Radio 2). 11.02 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including [illegible] (also 200m Scotland). 2.45 and 3.45 Sports Desk, also Racing from Newmarket. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 The 78 Show. 7.30 Sammes' Songs (S). 8.02 Ronnie Aldrich conducts the BBC Radio Orchestra (S). 9.02 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.05 Take Your Partners at the Radio 2 Ballroom (S). 11.02 Len Jackson with The Late Show (London only, also 200m Scotland). VHF joins Radio 1. 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

‡ Medium Wave only

‡6.55 a.m. Weather. 7.00 News. 7.05 Talich and the Czech Philharmonic, part 1. 8.00 News. 8.05 Talich and the Czech Philharmonic, part 2. 9.00 News. 9.05 This Week's Composer: Mendelssohn (S). 9.45 BBC Northern Ireland Orchestra (S). 10.30 BBC West of England Singers (S). 10.55 Composers' Portrait (S). 12.05 p.m. BBC Northern Symphony Orchestra, part 1 (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert, part 2 (S). 2.05 Words [illegible] Frederic Raphael. 2.10 Melos Quartet of Stuttgart (S) concert: Hindemith, Brahms. 3.10 In Short [illegible]. 3.15 Melos Quartet recital, part 2. 3.45 Tweedale: Music Between the Wars (S). 4.25 The Austrian [illegible] (S). 5.25 Trumpet Sounds [illegible]. ‡5.45 Homeward Bound. ‡6.05 News. ‡6.10 Homeward Bound (continued). ‡6.30 Lifelines: Leisure and Recreation. 7.30 Havergal Brian Centenary Concert, part 1 (S). 8.15 A Small World of [illegible]. 8.35 Concert, part 2 (S). 9.20 Hans Hotter Master Classes (S). 10.20 The National Theatre and the South Bank. 10.40 James Dalton (S). 11.25-11.30 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4

434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer For The Day. 6.45 Today. 7.00 News and more of Today including 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of Today, including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Voice Of The People (from 9.45). †10.00 News. †10.05 Checkpoint. 10.30 Daily Service. †10.45 Morning Story. †11.00 News. †11.05 The Countryside in Autumn. †11.50 Lords of The Blackboard Jungle. †12.00 News. 12.02 p.m. You And Yours. 12.27 Dr. Finlay's Casebook. †12.55 Weather, Programme News. VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour (from 2.00) from Northern Ireland, including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre (S). 4.00 News. 4.05 Any Answers? 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather. Programme News. 6.00 News. 6.15 Harry Worth. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 The Pick Of The Week. 8.30 Any Questions? 9.15 Letter From America. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World Tonight. 11.15 Today In Parliament. 11.25 Week Ending . . . 11.40 News.

For Schools (VHF only) 9.00 a.m.-12.00 noon and 2.00-3.00 p.m.

BBC Radio London

206m and 94.9 VHF

†6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Lobby. 9.20 John Toogood with London Live. 11.03 Jenny Thomson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run including 4.30 and 5.30 London News Desk. 6.00 London Sports Desk. 6.30 News. 6.33 Look, Stop, Listen. 7.30 Jenny Thomson and Diana Rice with In Town (as 11.03 a.m.). 8.30 Black Londoners. 10.03 Andy Finney with Single File. 12.00-Close: As Radio 2.

London Broadcasting

261m and 97.3 VHF

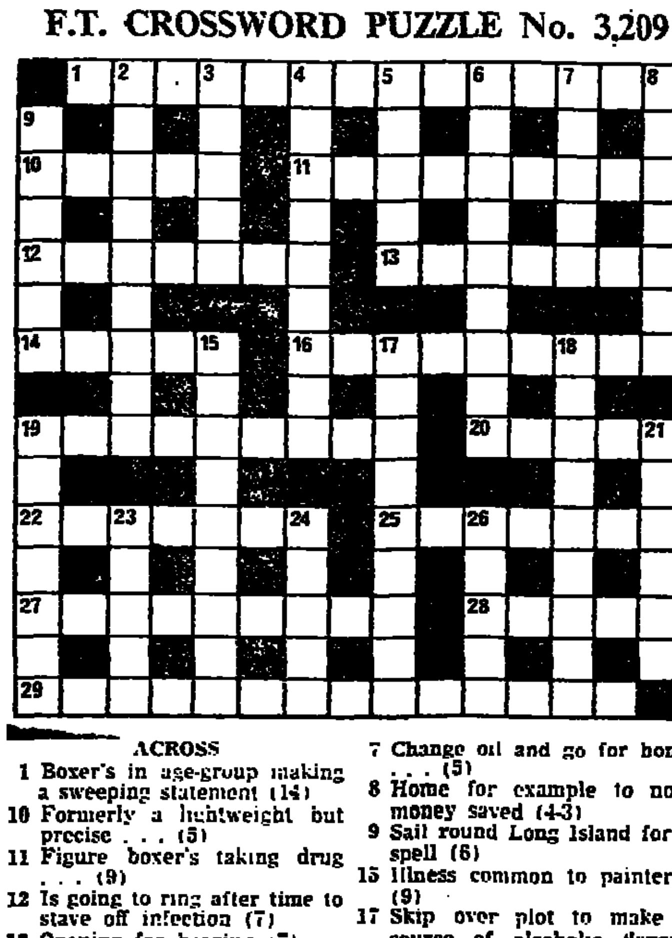
5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music In Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio

194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash On Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,209



ACROSS

1 Boxer's in age-group making a sweeping statement (14)
10 Formerly a lightweight but precise . . . (5)
11 Figure boxer's taking drug . . . (9)
12 Is going to ring after time to stave off infection (7)
13 Opening for hearing (7)
14 German woman and daughter responsible for crime (5)
16 Train to catch but requires a satchel (9)
19 Masqueraded and made to appear more interesting (7, 2)
20 Material used in many long johns (5)
22 Star supporter may be Ray! (7)
25 Let everyone be indebted to a degree (7)
27 Rushed to impress two editors (9)
28 Church land bishop enters in joy (5)
29 I race after record margin but it's prejudice (14)

DOWN

2 Give additional details to make the Spanish sailor speak (9)
3 One more that may be wide (5)
4 Directed notice to fashion editor (9)
5 Part of opening left for fireplace (5)
6 Time to make a front one change (9)
7 Change oil and go for home . . . (5)
8 Home for example to note money saved (4-3)
9 Sail round Long Island for a spell (6)
15 Illness common to painters? (9)
17 Skip over plot to make a source of alcoholic flavour (3-6)
18 Under nothing and freezing (5, 4)
19 Daughter is accustomed to being abandoned (7)
21 Indicated agreement and dropped off (6)
23 Approaches to put poles round receiver (5)
24 Two mothers joined a formidable woman (5)
26 Come down from window (5)

SOLUTION TO PUZZLE No. 3,208

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TABLET FRACTION
U A X B E L N I
MACHINE DRESDEN
B K T G D A U E
LAWN GAMEANDSET
E A I N V S   Y
RATING TILLERS
S E Q T L A O A
 DRAUGHT STALKS
A   E E R E L K
BUMPSUPPER GAFF
A O T E A S L O
CORSICA CANDOUR
U A Q C H I N I
SPLINTER SPIGOT
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APPOINTMENTS

BRITISH BROADCASTING CORPORATION

Appointment of Director General

Sir Charles Curran, as already announced, will be giving up the post of Director General of the BBC at the end of September 1977. The Board of Governors is now proceeding to the appointment of a successor. The Chairman, Sir Michael Swann, will be glad to receive nominations or suggestions for consideration by the Board. They should be sent to him in confidence at Broadcasting House, London, not later than Monday, 15th November.

PUBLIC NOTICES

Local Authority Bills for 91 days were issued @ 14 3/16.

Issue Date	Authority	Amount Issued	Total Applications	Amount Outstanding
13/10/76	Gloucestershire C.C.	2.5m.	13.5m.	2.5m.
13/10/76	M.B. Sandwell	1.5m.	12.75m.	5m.
13/10/76	M.B. Stockport	1.9m.	13.8m.	2.9m.
14/10/76	Wakefield M.D.C.	3m.	25.5m.	3m.
14/10/76	Dudley M.C.	0.85m.	10.2m.	2.85m.

CITY OF SHEFFIELD BILLS
£5,550,000 Bills issued 13.10.76 maturing 12.1.77 at 14⅝%. There are £5,550,000 Bills outstanding.

BOLTON METROPOLITAN BOROUGH COUNCIL
£2m. Bills placed 13th October 1976 due 12th January 1977 at 14¼%. £2m. Bills outstanding.

COMPANY NOTICES

EUROPEAN INVESTMENT BANK
1971/1981 7¾% Loan of FF 100,000,000

We inform bondholders that the amount of FF 4,000,000 redeemable on December 10, 1976 was bought into the market.

Amount outstanding: FF 80,000,000

EUROPEAN INVESTMENT BANK
Luxembourg, October 15, 1976

ROBECO

ROTTERDAMSCH BELEGGINGSCONSORTIUM N.V.

Robeco N.V. announce an interim dividend of Fls.7.40 per share of Fls. 50 (Fls. 0.74 per sub-share).

BEARER SHARE WARRANTS WITH COUPONS ATTACHED

[illegible]

UNION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

PAYMENT OF COUPON NO. 124
HOLDERS OF SHARE WARRANTS TO BEARER are hereby informed that Dividend No. 119 being an interim dividend for the year ending 31st December, 1976 of 12 cents Republic of South Africa currency per share (equivalent to 8.302286p United Kingdom currency per share) will be payable at the Office of the London Secretaries of the Corporation on and after 3rd November 1976 on surrender of Coupon No. 124.

Listing forms may be obtained and coupons lodged at any of the following [illegible]

[illegible]

COMMODITY Executive house Appointments.

APPOINTMENTS WANTED

OVERSEAS POST

Sought by middle management executive age 33, married. Experienced in air charter and insurance. Sound administrator, good temperament and inclined to [illegible] tion management, trading or possibly commercial administration. Regret, no short-term contract acceptable, but long-term career in exchange for integrity and absolute loyalty. Available now.

Write Box A.5704, Financial Times, 10, Cannon Street, EC4P 4BY.

LEGAL NOTICES

No. 003334 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of CAPITAL CARRIERS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 5th day of October 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE of King's Beam House, 39-41, Mark Lane, London EC3R 7HE and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the [illegible] November 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

C. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. [illegible]

No. 003336 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of COUNTRYGROUP (NG STATIONS) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding-up of the above-named Company by the High Court of Justice was on the 5th day of October 1976, presented to the said Court by the COMMISSIONERS OF CUSTOMS AND EXCISE [illegible]

C. KRIKORIAN,
King's Beam House,
39-41, Mark Lane,
London EC3R 7HE.
Solicitor to the Petitioners.

[illegible]

EXHIBITIONS

[illegible]

ART GALLERIES

[illegible]

Acceptable faces

by NIGEL ANDREWS

...Cousine (AA) Curzon
...Hungry (AA) Academy Two
...to Face (X) Ritz
...Call It Loving (X) Essential Cinema
...ng Mad (X) Rialto
...Werewolf of Washington Electric

...opening scenes of Cousin ...e prepare us for a jolly ...icle of French provincial ...aughter and horseplay at ...marriage feast as the ...en and grandchildren of ...likely newlyweds, a grand... ...r of 50 and a greybeard ... celebrate their ancestors' ... Through the chaos of ... champagne, ribald jokes ...clicking cameras, the film ...ally singles out two ...s: Karine and Ludovic, ...ul and Marthe. It is Paul ...Karine who take the eye ...ly, flirting boisterously ...gh the party and finally ...g off in his car together ...hasty infidelity. But it is ...ic and Marthe whom we ... thereafter. Left to con... ...each other with small talk ... guests disperse and their ...s keep them waiting, they ... up a quick and easy ...ship. Over ensuing weeks ...tch them meet again, talk ... and finally fall in love. ... begins as a determinedly ...le friendship gradually ...ing into a full-blown, ...antly defiant romance.

...o-day's cinema, when moral ... are shot down with almost ...tonous regularity, it's a ...eyed film that manages to ...a target still worth firing ...Cousin Cousine sets out to ...us the acceptable face of ...ery. Director-writer Jean... ...es Tacchella sets his film ...some brittle corner of the ...an... haut monde, where ...ery might pass as an in... ...m of moral sophistication, ...a fresh-cheeked provincial ...e where family solidarity, ...e appearance of it, has an ...t religious sanctity.

...much of its length, ...n Cousine follows a ...ch-like trail the lovelorn ...e thrown together from ...astingly disrupted mar... ...s, the teeming background ...pretty children and pic... ...que adults, the glowing ...r photography, the melli... ...sly repetitive score. But ...seeds of subversion are ...ed early on in the film ...bly in the spiky, truculent ...cter of the heroine's teenage daughter) and the climactic sequence—a Christmas day family reunion during which *the adulterous couple begin by* clinching in the middle of the dance floor and end by retiring ostentatiously to the bedroom for the afternoon—has an impact at once wholly outrageous and wholly plausible. It's a funny and touching film, and a far more challenging one than its expensively lacquered surface might first suggest.

Stay Hungry could be seen as another lesson in how to defy your family and find your own identity. Jeff Bridges plays the rich boy from Birmingham, Alabama, who resists his uncle's invitation to join the family steel business, preferring to befriend and champion the motley crew of men and women who run a local gymnasium. The gymnasium, which numbers among its clients an aspirant for the Mr. Universe title (played by real-life *muscle-man* Arnold Schwarzenegger) soon, to be contested in the city, is threatened by a group of property speculators who want to buy it up for high-rise development.

Despite the promise of its eccentric plotline, and the proven credentials of its writer-director Bob Rafelson (*Five Easy Pieces, The King of Marvin Gardens*), *the film turns out to* be a strenuous, somewhat spluttery comedy-parable on the theme of Doing Your Own Thing. Rafelson paints a brightly funny picture of Southern high society, Bridges introducing his ramshackle friends to an ever more shocked and supercilious round of upper-crust parties. But what modest narrative coherence the film has is frittered away by choppy editing and by a climax that piles farce on melodrama with exuberant recklessness: a nasty showdown in the gym, complete with flying weights and thudding bar-bells, being followed by a Keystone Kops-style finale as the Mr. Universe contestants, interrupted in their on-stage muscle-flexing finals by news of the battle, rush into the streets in loinclothed déshabille, grimacing cheerfully at the astonished passers-by and throwing narcissistic poses for the ever-indulgent camera.

The film's stylistic firework display would be more enjoyable did one not suspect that it concealed, at bottom, a fairly damp *squib of a message. Strength* through self-sacrifice, would seem to be the neo-Socialist motto of the hero's riches-to-rags progress. And into the film's body-building motif we can perhaps read the rallying cry "Throw away your riches, join the people, and You Too Can Have a Body Like Mine . . . ."

*

Face to Face is the latest magnum opus from Ingmar Bergman; another saga of psychological disintegration in which the Swedish director wrings emotional truths from the pliant features of Liv Ullman like water from an ever-abundant sponge. There is something alarming, even distasteful, about this kind of marathon soul-baring; and *Face to Face* raises more doubts about Bergman's method than did *Scenes From A Marriage*. Where the quarrels and agonies of the latter struck a universal chord, *Face to Face* delves into a more obscure and private grief. Rather than throwing out a bridge to the audience's own experience, its story of a woman psychiatrist who attempts *suicide* after a nervous breakdown remains stubbornly insular, offering little explanation for the heroine's distress apart from some obscurely traumatic childhood memories (one at least—the memory of being locked in a dark cupboard—taken straight from Bergman's own experience) and an abortive liaison with a homosexual doctor (played by Erland Josephson).

In a letter printed in the published edition of the screenplay (which differs rather startlingly from the finished film, being nearly double the length and far more explicit in its account of the heroine's suicide attempt) Bergman tries to describe the genesis of the film: "I think that for some time now I have been living with an anxiety that has had no tangible cause. It has been like having a toothache, without the conscientious den*tist having been able to find any*thing wrong with the tooth or with the person as a whole." Sadly, though the symptoms rage, the diagnosis remains obscure. Despite passages of power and terror — and an astonishingly uninhibited performance by Liv Ullman — one feels for once that Bergman is using the cinema *less to pinpoint a universal* malaise than to exorcise a private and stubbornly incommunicable anguish of his own.

Liv Ullmann in 'Face to Face'

The Entertainment Guide is on Page 32

*

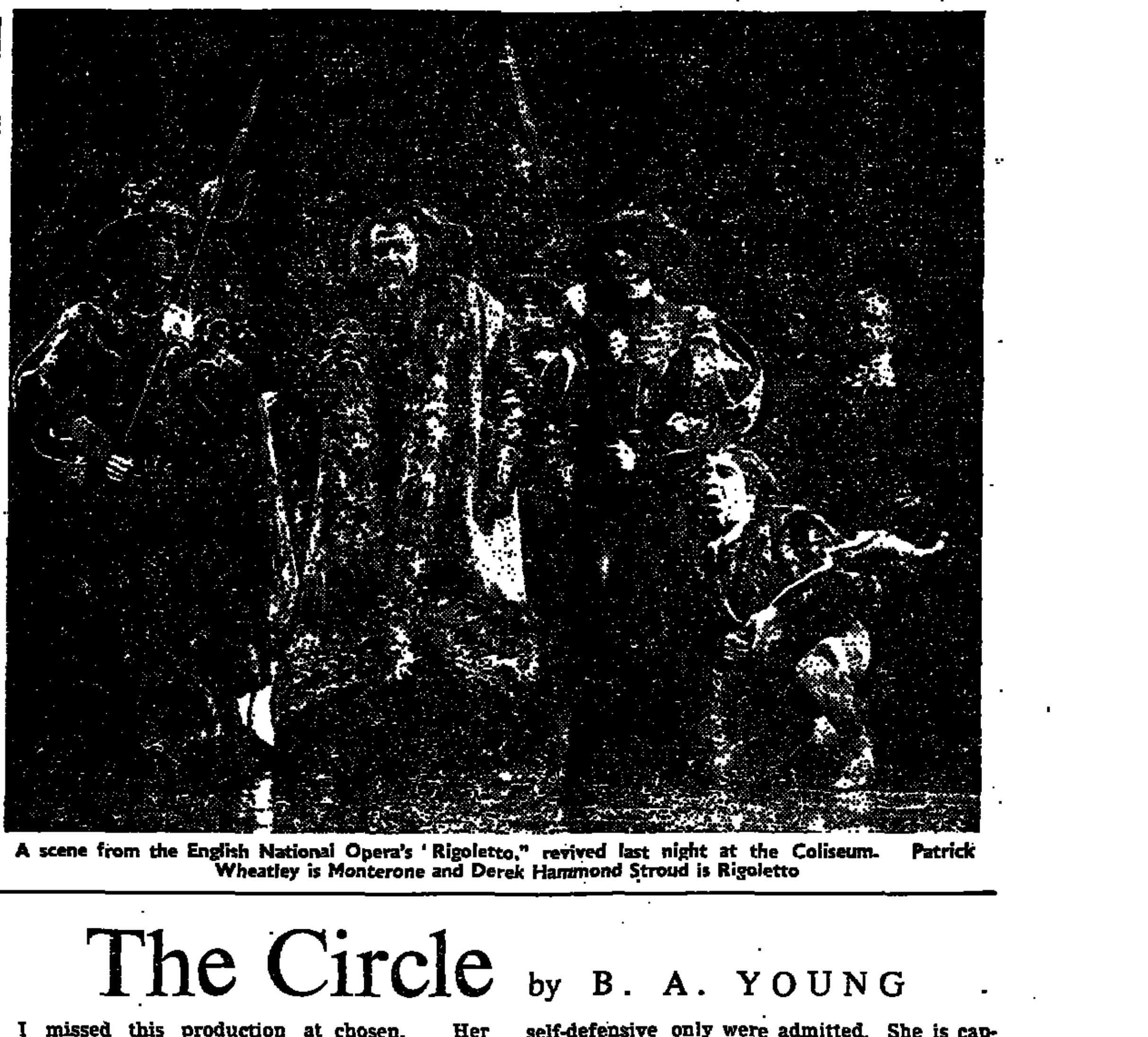
At least there is passion, however muddled, in *Face to Face*. James B. Harris's *Some Call It Loving* is an insipid little jeu d'esprit that has gathered to itself in recent years a totally mystifying cult reputation. (It was first seen here at the 1973 London film festival.) Set in a coyly exotic never-never land of Californian opulence, it tells the story of a young man who falls in love with the "Sleeping Beauty" at a fairground sideshow. He brings her back to live with him in the baroque splendour of the mansion he shares with two other mistresses. Here, between passages of elaborately whimsical dialogue, the quartet act out their erotic fantasies: A dance routine with two high-kicking nuns, some stern mistress-servant cross-talk in the dining room, a hint or two of lesbianism. In the way of visual exoticism, Harris has learned a trick or two from Stanley Kubrick, for whom he once worked as a producer. But Kubrick would never have allowed the archer passages of dialogue in this film to escape unamended, nor have assembled such a drab quartet of central performances.

*

Fighting Mad is the latest of America's blood-bolstered hymns to the spirit of vigilantism. Jonathan Demme wrote and directed this story of a home-coming farmer's son (Peter Fonda) who helps his family defend their fragile homestead against the marauding attentions of a local mining tycoon. A sort of comic-strip *Grapes of Wrath*, the film has the courage of its blood-and-thunder style and of a really cracking narrative tempo. The climax, with Fonda cornering the villain in his gadget-ridden luxury lair, is a little too close for comfort to the spirit of James Bond. But elsewhere the film has all the virtues and few of the vices, of Hollywood's long-lamented B-movie tradition.

*

Finally, lycanthropy at the White House. Made in the wake of Watergate, Milton Moses Ginsberg's *The Werewolf of Washington* has lost its topicality and some of its edge in the two years it has taken to reach a London cinema. (It was shown at the London film festival in 1974.) But there is still a sly and spooky wit in the idea of Dean Stockwell as a Washington Press secretary whose bestial alter ego is unleashed upon the world every full moon: and in the widening ripples of embar*rassment and political prevarica*tion the scandal causes in the upper echelons of White House society.



A scene from the English National Opera's 'Rigoletto,' revived last night at the Coliseum. Patrick Wheatley is Monterone and Derek Hammond Stroud is Rigoletto

The Circle

by B. A. YOUNG

I missed this production at *Chichester in the summer, so* I am extra pleased that it has come to town. *The Circle* is arguably Maugham's best play, shapely in design, elegant in its unashamedly artificial con*struction, yet peopled with* characters in whose lives one can take a valid interest in spite of the remoteness of their aristocratic ambience from our own undisinguished existence.

The direction by Peter Dews never errs in the direction of excessive verisimilitude. Every entrance, every exit is clearly registered as part of a theatrical pattern, and the final resolution of the problem assailing Teddy and Elizabeth—whether to elope or not—is a great dramatic coup. Yet through the mouths of his characters Maugham offers a great deal of sensible thought, thought that must have been particularly striking when the piece first apppeared in 1921, with its condonation of adultery and anti-romantic sentiments like Clive Champion-Cheney's observation, "Don't you think people make a lot of unnecessary fuss about love?"

The cast at the Haymarket are all the right amount larger than life. The outstanding figure among them is Bill Fraser's Lord Porteous, a decaying patrician who has become mentally seedy without being physically seedy. We know at once, when he turns the phrase "How do you do?" into a mumbled disyllable, that the mechanism which was once powerful enough to earn him a judgment as a future Prime Minister has now run down almost completely. Googie Withers keeps Lady Catherine, his mistress for 30 years since *she bolted from Clive*, the right side of the ridiculous; her hair is very discreetly "touched up," her clothes and jewels still well chosen. Her self-defensive frivolity hardly *seems* out of place in a household where everyone constantly behaves so unwisely. John McCallum as Clive, still her husband, is a masterpiece of self-satisfaction, strutting about his son's house with grave pomposity and congratulating himself on every word he speaks with a visible mental pat on the back.

His son Arnold is so wonderfully priggish in Martin Jarvis's rendering, wandering round his pretty museum of a drawing-room and putting things back the necessary six inches for tidiness, that it is hard to see how Elizabeth could ever have come to marry him. Susan Hampshire *is Elizabeth, ravishingly pretty*, her nose doubtless equal to the model required, as Anthony Powell tells us, for admission to the Pavlovsky Guard, where recruits with retroussé noses only were admitted. She is capable of looking deeply pathetic as she sits staring waiflike into vacancy over her embroidery, contemplating her unfaithful love for Teddy as the others play bridge with as much bad temper as the whist-players in *Trelawny of the Wells*. But her performance remains almost exclusively on one note: a very attractive note, to be sure, but one that could do with a little widening of the tessitura.

Teddy in any case is revealed by Clive Francis almost at once as an oaf (he even goes into luncheon without a tie), and this oafishness fits appropriately into the scheme, particularly when he makes his last, clever appeal *to Elizabeth*.

For those who relish the pleasures of the theatre as we knew it before *Look Back in Anger*, the Haymarket is a certain recommendation.

Dame Edith Evans dies

Dame Edith Evans died on Wednesday at the age of 88.

Dame Edith imposed such authenticity on her parts that sometimes it was difficult for later players to extricate themselves from her manner: no one can say "In a handbag?" in *The Importance of Being Earnest even now without either* reproducing or consciously avoiding her expression. She played Millamant at the Lyric, Hammersmith in 1924 and again on radio in 1958, when "she gave reality to a legend," in a current comment. Among the parts she created were Lady Utterwood in *Heartbreak House* and Orinthia in *The Apple Cart*. Such classic characters as Lady Wishfort, Cleopatra, Madame Ranevsky, Mrs. Malaprop, most memorably the Nurse in *Romeo and Juliet*, she encompassed to perfection, and took new parts in new plays as readily and as effectively. No one who saw it could forget the beginning of Bridie's *Daphne Laureola*, where she opened the proceedings with an unexpected burst of tipsy song.

As late as three years ago she playd a one-woman show at the Haymarket, *Edith Evans . . . and Friends*, and toured around the country in it for some time.

From 1948 onwards she was active in films, working equally easily in tragic parts or light comedy.

She began her stage career under the aegis of WilliamPoel; her first appearance was in Sakuntala at Cambridge, and her first London appearance, in 1912, was as Cressida in *Troilus and Cressida*, both under his management. Before going on the stage she worked as a milliner's assistant.

...cell Room

...omposers' Quartet

by DAVID MURRAY

...e Composers' Quartet ...ned to the South Bank on ...nesday for the third instal... ...—the last is due on Saturday ...their bracing survey of the ...ican quartet literature. ...aps only the devotees of ...Park Lane Group, who are ...nting the series, could have ...sed how exciting it would ...e. This concert began ...ly with two very early ...ments by Copland, *small*, ...uned and not very ...ent, a gently dissonant ...lime under the triadic ...motto hinted at the Cop... ...to come, but I was more ...k by its exact echo of ...'s violin-and-cello Sonata ...en seven years earlier). ...t a deliberate bow, or just ...ent?

...e most substantial work ...of course, Elliott Carter's ...tet No. 2. Here he all but ...ned the traditional ...atic devices which still, in ...First Quartet, provided ...holds for dazzled listeners; ...Second Quartet is a con... ...ous drama in which nothing ...ains stable but the musical ...onae assigned to the four ...ers, cast respectively (from ...to bottom) as mercurial, ...e, introverted and roman... ... The musical continuity, ...gh real enough, is subter... ...ean and oblique. Achieving a ...itable ensemble in the work ...amingly difficult: the Com... ...ers' Quartet—like others who ...essayed it—made that their ...objective, at some small ...to the vividness of their ...ividual roles. Though the ...lt was persuasive enough, it ...ssible to imagine the fantas... ...l first-violin part delivered ...greater bravura (but ...der to imagine how it might ...ally be done).

...arter broaches the limits of ...sical performance, in pur... ...of spectacular and perfectly ...tical ends. John Cage's 1950 ...rtet is in its way scarcely ...original, but it *maintains* a ...profile to the limits of ...erturbability: hardly any... ...g so mild can have been ...posed before the arrival of ...ton Feldman. It dates from ...t Cage nostalgically refers to as his "intentionally expressive" period, and its four movements (officially correlated with the four seasons, about which he seems to have had uniformly unruffled feelings) are played without any vibrato whatever. In modern players this induces a fairly cautious attack (an off-true note, once lighted upon, is hard to correct unobtrusively)—which may well be what Cage intended. *The effect is not so* far removed from the unambitiously intelligent innocence that Virgil Thomson used to cultivate.

I was glad to hear at last the 1931 Quartet of Ruth Crawford Seeger, a recently rediscovered experimentalist—the stepmother of the folk-singer Pete Seeger, as it turns out—whose work is now much esteemed in America. The piece is a shining model of musical experiment: each of its *four movements is a strict, con*cise and beautifully written exploration of a single procedure. All of it is as lucid as it is grateful to the ear. The structural devices it exploits with such assurance were genuinely new, so fresh that no dust seems even now to have settled upon the music. Given an inquiring spirit of such fine, self-effacing objectivity, there was nothing eccentric in her choosing later to abandon composition for researches into folk song; it would even seem impertinent to regret it. All the same, her Quartet was a noble exercise, and the Composers' Quartet played it with the scrupulous *sympathy it deserves.*

...ook Reviews are on Page 20

British works for Bonn

The 1977 ISCM Music Days will be held in Bonn, West Germany, in collaboration with the Beethoven Festival, from May 14-21. The following works have been chosen for submission to the international jury by a reading panel appointed by the British Section: Simon Bainbridge, *Viola Concerto*; Gavin Bryars, *The Sinking of the Titanic*; John Buller, *Le Terrazze*; Jonathan Harvey, *Inner Light III*; John Lambert, *Consider the Lilies*; David Lumsdaine, *Sunflower*; Colin Matthews, Fourth Sonata.

At the 1976 Music Days in Boston (October 24-30) works by Harrison Birtwistle, Oliver Knussen and Anthony Payne will be performed.

London Mozart Players

...r. Harry Blech, conductor of ...London Mozart Players, ...ounced in London yesterday a ...es of five concerts in the ...abeth Hall, under the title ...omposer's Choice." Five dis... ...guished composers have ...sen and will introduce the ...grammes, each of which con... ...s at least one of their own ...ks.

...n November, Malcolm ...liamson, Master of the ...en's Musick, and in June next ...r, William Mathias, present ...r works commissioned by the ...hestra with the aid of the Arts ...uncil and the Welsh Arts ...uncil. The first of this series ...be next Wednesday, October ... when Sir Michael Tippett ...roduces his programme. Sir ... concert in a performance of his *Façade* in March, 1977. The fifth composer in the series is Malcolm Arnold who will conduct his own programme in May next year.

In addition to the "Composer's Choice" series, the orchestra has commissioned two further new works from Alun Hoddinott and Paul Patterson, the latter's *Clarinet Concerto* having been performed at the end of last season in the Elizabeth Hall.

The regular Festival Hall series is now in its 25th season under Harry Blech and soloists include the winner of the 1975 Leeds International Piano Competition, Dmitri Alexeev, and another prizewinner, Andras Schiff. The series will include all the London Symphonies of

Festival Hall

Ahronovich

by DOMINIC GILL

The BBC Symphony Orchestra's concert under Yuri Ahronovitch on Wednesday, also broadcast on Radio 3, was a less electrifying affair than the sensational Russian programme the same conductor offered with the LSO last year. It was a cool and capable evening, delivered with confidence and style, but without a great deal of evident affection.

The programme was framed by Stravinsky's *Firebird* suite of 1919, and by Bartok's *Music for strings, percussion and celesta*—in the Bartok performance above all, there was a four-squareness, a lack of flexibility, of simple magic: the dense chromatic clouds of the first *movement, clearly but very* plainly described; the second movement, energetic but unyielding; and the third, a reading of the notes, entirely proper and correct of itself, strangely lacking in all manner of Bartokian tension and mystery, nocturnal angst and tenderness.

The evening's centrepiece, Walton's cello concerto, was reviewed with similar efficiency, and similar detachment. Zara Nelsova, the soloist, caught the accent of the music nicely—that peculiarly Waltonian blend of grand manners with blandly domestic sentiment: a blend, none the less, for which Ahronovitch at his keenest could summon up only the palest enthusiasm, and with which for the most part he was plainly bored.

The Library of the Royal Anthropological Institute

The trustees of the British Museum have accepted the *Library of the Royal Anthropological Institute*, whose value is thought to be as high as £1m., as a gift for its Department of Ethnography, known as the Museum of Mankind, at 6, Burlington Gardens.

The Institute's Fellows will still be able to borrow from the Library.

Newcastle Jazz Festival

American jazz artists Teddy Wilson, Roland Kirk, Bud Freeman, Barney Kessel and Johnny Griffin are among top attractions at the Newcastle Jazz Festival *from October 22-31*.

The opening night's event is a jazz band ball at the Holiday Inn, Newcastle, with the Heritage Hall Stompers, the Panama Jazzmen, the River City Jazzmen and the Vintage Jazzmen.

The following day Teddy Wilson appears with bass and drums accompaniment at the University Theatre where all the remaining concerts take place. The Ronnie Scott quartet plays the next day and on Monday October 25 the National Youth Jazz Orchestra, together with the Tyneside Jazz Orchestra, are the attractions.

The Graham Collier big band follow the next day and on Wednesday October 27 the Stan Tracey quartet, in company with actor Donald Houston, will perform Tracey's *Under Milk Wood* Suite. Thursday sees the Johnny Griffin with the Eddie Thompson trio. *On Friday there* are two concerts. The first, at 7 p.m. features the jazz-rock group Soft Machine which includes Alan Wakeman (reeds) Karl Jenkins (reeds and keyboards) and John Marshall (drums). The late concert, at 10.00 p.m. will feature Roland Kirk.

There are also two concerts on Saturday: at 7 p.m. Georgie Fame with the Syd Lawrence band; at 10.00 p.m. tenor-saxist Bud Freeman with the Alex Welsh band. Guitarist Barney Kessel closes the Festival on Sunday October 31. Als oon that day there will be the second of two riverboat shuffles, the first being on October 24.

The Festival is sponsored by Northern Arts, Tyne Wear County Council and the city of Newcastle.

Berlin Youth Orchestra wins international contest

In the fourth International Competition for Youth Orchestras held in West Berlin, the symphony orchestra category was won by the Junge Deutsche Philharmonie (from West Germany) and the chamber music category

£3.2m. estimate for Welsh Opera House

A recent survey reports that Cardiff's Capitol Cinema could be converted to an opera house, concert hall and conference centre at a cost of £3.2m. The study, by a local firm of architects, was requested by the Welsh National Opera and Drama Company to demonstrate that such a conversion was feasible.

The general manager of the company, Mr. James Mowat, said the cost excluded the purchase at £2m., *but was a figure "far in* excess" of what they hoped to hear from the owners, Rank Leisure Services.

He hoped that if the scheme went ahead, the money would be raised through central and local government sources as well as privately. On running costs, the company would be meeting the Welsh Arts Council for discussions later this month. He thought the likely net cost would be "around £130,000 to £150,000

EUROPEAN NEWS

French Premier backs down on wealth tax

BY DAVID CURRY

PARIS, Oct. 14.

STUNG BY accusations that his comments on the prospects of introducing a wealth tax in France had played a leading role in the collapse of share prices M. Raymond Barre, the French Prime Minister, has stated categorically in Parliament his total opposition to any form of tax on wealth.

Meanwhile, as M. Barre tries hard to recover the ground lost because of his "over-polite" reply to MPs of the ruling coalition who had proposed a wealth tax, President Giscard d'Estaing ordered all his Ministers into the front line to defend the Government's austerity programme.

Rounding on the 11 MPs who proposed the tax, M. Barre referred to the "absurdities" being said on the matter as, in the current economic and social climate, evidence of "intellectual snobbery" and "irresponsibility." This led one Gaullist to reply that intellectual snobbery appeared to be more in vogue at the Elysee Palace than in the National Assembly.

The interpretation put upon M. Barre's original remarks in the National Assembly—that his objections to a wealth tax were more for technical reasons than ones of principle—added to the misery of a stock exchange which had just digested the firm restatement by M. Francois Mitterand, the Socialist leader, of the intention of a future Socialist-Communist Government to nationalise nine leading private groups. To make matters worse an opinion poll released at the same time showed that 73 per cent. of company chiefs thought that the alliance of the Left would in fact come to power as a result of the 1978 legislative elections.

Since then M. Barre has been back-pedalling furiously. He received yesterday the support of the former Gaullist Prime Minister M. Jacques Chaban-Delmas, himself on the record as favouring a wealth tax, who said that the present time was inopportune, while the MPs sponsoring the amendment explained that their ideas dated from June and the time of the bitter debate on the Government's capital gains tax proposals.

M. Barre's wealth tax slip is a dangerous spoke in the wheels of the Government's economic programme because it is precisely the sort of issue which could cause the frictions within the ruling party which surfaced around the capital gains tax proposals to flare up again. This is the last thing Giscard d'Estaing can afford when his economic programme is so clearly failing to restore business confidence.

The problem is made worse by the atmosphere of electioneering which now surrounds all political activities. M. Mitterand who is pledged to a wealth tax on fortunes of Fr.2m. added his pinch of salt to-day at a press conference when he said that the "day by day deterioration of the economic situation could cause him to seek eventually the bringing forward of the 1978 legislative elections.

General strike threat in Spain

BY ROGER MATTHEWS

MADRID, Oct. 14.

ILLEGAL LABOUR organisations in Spain are planning to call a nation-wide general strike at the end of this month, or in early November, to protest against Government measures limiting wage increases and giving employers greater freedom to dismiss workers.

A spokesman for the communist-dominated Workers' Commissions said to-day that this week's package of economic measures amounted to a declaration of war against the working class. Talks would be taking place with other socialist-led union organisations to decide on the most suitable date for the general strike, but it was most likely to be held on October 28 or November 4. Many employers, and indeed the Government, have been expecting such a reaction, but believe its effects will be limited and will not represent a serious threat to the authority of the regime.

One employer commented to-day: "I would much rather have a totally successful one-day national strike, than continue with the previous law on labour relations which effectively forced me to maintain a workforce that was unrelated to the present level of demand. My company is carrying a payroll at least 20 per cent. higher than it should, but, thanks to the new regulations, surplus labour will now start to be laid off."

The Government has announced that it is planning legislation to permit greater freedom for trade union organisations, although this will have to be approved first by the Cortés (parliament), a strongly conservative body that is basically opposed to dismantling the system of vertically organised "syndicates" that brought together under state control both workers and employers.

It is a sensitive political issue that has already led to the removal three weeks ago of the Deputy Prime Minister, General de Santiago, who considered the "syndicates" to be one of the cornerstones of General Franco's policies. However, other members of the Cabinet believe that the only way to achieve any form of social pact is to provide for the election of workers' leaders who can help to assure that bargains are kept.

More than 27,000 building workers in the Basque province of Vizcaya remained on strike to-day and several ships were idle in the port of Bilbao where stevedores have walked out. The national work-to-rule by air traffic controllers has moved into its third months without showing signs of a solution, and there are scattered disputes in other industrial sectors, none of which have so far provided evidence of the much threatened "hot autumn." This, according to some labour sources, is in part due to the Communist Party, which, while favouring national one-day strikes, is opposed to unco-ordinated disputes which cause economic damage without achieving political gains.

South Moluccan camp violence

BY MICHAEL VAN OS

AMSTERDAM, Oct. 14.

THE CLEARING of a South Moluccan camp at Vaassen near Arnhem to make way for new housing for the community led this morning to a running battle between some 200 mainly young camp residents and a 450-strong police force using 12 armoured cars.

Relative peace has now returned to the camp, which is being demolished and completely sealed off to prevent other South Moluccans from moving there from other parts of Holland. In all, more than 15 arrests have been made and some six people are reported to have been wounded. Shots were reported to have been fired by both sides and though one Moluccan was reported shot in the neck, police were said to have mostly shot in the air to frighten them and also in self-defence.

The battle began early this morning when a small group of young South Moluccans, who are from the same refugee community as those involved in the Beilen train hostage affair (in which several people were killed) and the Indonesian embassy siege in Amsterdam, refused to vacate the camp. It formed one of the two strongholds of the South Moluccan community in Holland, which totals about 35,000.

Czechs rap Austria over author

By Paul Lendvai

VIENNA, Oct. 14.

A CZECHOSLOVAK Government spokesman to-day accused the Austrian Government of interference in Czechoslovakia's internal affairs and of "a behaviour incompatible with good neighbourly relations."

The conflict was caused by the refusal of the Prague authorities to grant an exit permit for the internationally known Czechoslovak playwright Mr. Vaclav Havel to attend the world premiere of his two new one act plays in Vienna last week, although he had been invited as the personal guest of the Austrian Minister of Culture.

Mr. Havel is one of the leading opponents of the present Czechoslovak regime and played an important role during and after the 1968 Russian invasion of Czechoslovakia. The Austrian government publicly raised the question after Tuesday's Cabinet meeting of whether the attitude of the Czechoslovak authorities was in accord with the provisions of the Helsinki declaration of European Security Conference last summer, about cultural exchange.

Meanwhile, the Czechoslovak leadership sacked the editor of the Prague cultural weekly "Tvorba" Mr. Jiri Hajek and replaced him by the Deputy Editor of the Central Party paper Mr. Jaroslav Korinek. It has now been confirmed from reliable sources that Mr. Hajek, previously one of the leading cultural spokesmen of the regime fell in sudden disfavour for having advocated the rehabilitation of intellectuals who opposed the regime after the invasion but were "able and loyal to socialism."

The issue of the weekly carrying his editorial with the plea for more leniency was seized and the entire edition destroyed. Two days later a new issue of "Tvorba" came out but Mr. Hajek's name disappeared from the masthead. Observers regard the latest developments as ominous signs of a hardening of the political line.

EEC blamed for food price rises

WARNINGS of massive food price increases next year are a sign that "Common Market chickens are coming home to roost," said Mr. Bryan Gould, Labour MP for Southampton Test and chairman of the Anti-Common Market Safeguard Britain Campaign.

He said disastrous effects on the cost of living would be caused by devaluation of the Green Pound, the artificial rate of exchange for Common Market food and farm prices.

He was commenting on warnings from the Consumer Association that Britain faces an explosion in food prices next year.

He said: "We are only halfway through the transitional phase which will bring our food prices up to Common Market levels

Turkey and EEC pause in deadlo

BY METIN MUNIR

ANKARA,

THE TURKEY-EEC summit on their deadlocked problems has been postponed, it was officially announced to-day. An announcement in Brussels said that the meeting of the Turkey-EEC Association Council, set for next Saturday in Istanbul, was put off due to the sudden illness of Sir Christopher Soames, the EEC Commissioner for External Relations. A communique here said, without referring to Sir Christopher, that the Community had asked for a postponement and that the Turkish Government had agreed.

"The meeting has been postponed, not because Sir Christopher is ill, but because the Association is dying," a senior Turkish Foreign Ministry official told the Financial Times. This statement is somewhat exaggerated, but it is true that the 13-year-old Association between Turkey and the Community is going through a difficult period. This is the second time that the Association Council meeting has been postponed. The first, last July, was caused by the fact that it would be a waste of time to convene since the views of the two sides were irreconcilably diverse.

It is likely that the Istanbul summit would have been cancelled anyway, and certain that it would have achieved nothing, political observers here believe. The crisis has come about over new concessions Turkey sought from the Nine and failed to obtain. The concessions demanded include better access for Turkish agricultural goods entering the Market, and the free circulation of Turkish migrant workers. Ankara has found the response from Brussels "totally unsatisfactory." A senior Turkish Foreign Ministry official to-day said privately that the Turkish Government had informed Brussels that it was adamant on the concessions and would not soften its attitude.

The Community feels that it has been as generous as possible, and has not extended its concessions. Observers feel it was a good thing that the meeting did not take place, as it would have been a total and apparent failure, pushing the Turkish Government into a harder line. EEC here hope that the afforded by Sir Christop ness will allow furthe negotiations to take Turkish officials say Government will freeze relations with the EE demands are not met in not fulfilling its oblig the Community, for ins refusing to reduce tarif on programmed dates.

Reuter adds from Brus Christopher Soames, suffered minor heart tro Sunday, will leave hospi week-end, the Commiss to-day, but he will conva six weeks before resu full duties.

Kohl waits for backing from Strauss

BY ADRIAN DICKS

BONN,

HERR HELMUT KOHL, the Christian Democrat leader, moved last night to counter the challenge to his strategy of opposition mounted by Herr Franz-Josef Strauss with the apparent support of other conservatives in the party.

Herr Kohl demanded from Herr Strauss a firm promise that the parliamentary alliance between Herr Kohl's CDU and Herr Strauss' quasi-independent Christian Social Union of Bavaria, would be continued throughout the four-year term of the newly elected Bundestag.

In addition, Herr Kohl has reportedly delayed his decision on whether to come to Bonn to lead the CDU-CSU group in the Bundestag, or to remain as State Premier of Rhineland-Palatinate, the post he has held for the past seven years. Although it is hard to believe that Herr Kohl would remain at Mainz, if he intends to continue to lead the CDU, he is evidently reluctant to announce his plans until the party has given him a more convincing show of support.

Herr Strauss and other conservatives in the opposition objected strongly to Herr Kohl's offer, on the morrow of the Bundestag election this month, of a coalition with the Free Democrats, minority partner in the present coalition Government. The conservatives dislike just as much Herr Kohl's interest in State level coalitions with the FDP, arguing that this would water down CDU policies and deprive the opposition of the freedom it enjoys to block or hamper Government initiatives through its majority in the Bundesrat, the upper house of the federal German parliament.

All this has led Herr Strauss to threaten once again that his CSU, after attracting a record 60 per cent. of the vote in Bavaria, might now be ready to develop into a fourth nation-wide party with a mi conservative appeal th CDU has under Herr K effect, however, has been the cracks in the much wider than eit seems to want, and to Strauss appeared, in paper article, to retreat "fourth party" idea, and down hard against any of the CDU-CSU parli group.

Not entirely satisfie Kohl has formally asked for "clarification" and promise that its loyalty unconditional for the n years.

EEC fish zone vote defeat

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

STRASBOURG, Oct. 14.

THE EUROPEAN Parliament to-day narrowly rejected a proposal by the Socialist group that coastal states like the U.K. be granted control over fishing "conservation zones" extending up to 50 miles offshore under the EEC's new fisheries policy.

Yet despite this defeat in Strasbourg, some senior European officials were suggesting this afternoon that something akin to the proposal might ultimately emerge as a compromise policy in the face of Britain's insistence on an exclusive national zone of as much as 50 miles around its coastline.

Though such a proposal would not meet all of Britain's demands, it could prove an acceptable alternative because it would give it a greater measure of direct control over fishing in British coastal waters than is envisaged in the EEC Commission's recent fisheries plan.

This plan, coolly received by U.K. authorities, would limit exclusive coastal waters to the 6—12 oil zones prescribed under the EEC's existing fisheries policy. Moreover, historic right of fishermen from other EEC countries within these waters would be preserved.

The proposal defeated in the Parliament to-day forms part of a broader resolution urging swift adoption of a new common fisheries policy on both the external and the internal fronts. The whole section dealing with internal fisheries policy was voted down and replaced by a Gaullist-sponsored amendment calling for a new regime to be based on the same principles as the Common Agricultural Policy.

The resolution was eventually approved by the Parliament in watered-down form. But most of the delegation of Labour MPs abstained from the final vote in protest.

Mr. John Prescott (Lab., Hull), the chief sponsor of the original resolution, expressed anger and disappointment at the outcome of the debate, and especially at the decision of five Fianna Fáil MPs to throw their weight behind the substitute amendment.

Though the five men favoured the proposal on conservation zones, they decided to switch their support because they could not accept another paragraph of the original resolution calling for the establishment of fishing quotas for each member state.

Their decision was especially critical because of the closeness of the vote. Indeed, the first show of hands turned out to be a 38—38 tie, and a second, stand-up vote was ordered by the president. The circumstances in which the vote took place aroused a number of procedural objections both from the Labour and the Conservative ranks, with Mr. Michael Stewart (Labour) challenging the validity of the outcome.

Meanwhile, the Parliament was due later this evening so launch a fresh debate on the co-responsibility programme for reducing the EEC's dairy service proposed by Mr. Pierre Lardinois, the Agriculture Commissioner.

It was expected that the programme would once again come under vigorous attack from all quarters of the Parliament, as it did during the previous debate last July, which culminated in an unsuccessful motion to censure the Commission tabled by the Conservatives.

Romanian deals

Romania has so far concluded over 400 co-operation agreements with foreign companies and economic organisations, according to Agerpress, the Romanian news agency. The figure, however, includes also joint ventures with other Communist countries. It is claimed that about 80 per cent. of the ventures have been concluded in machine-building, food, chemical, mining, metallurgy, oil and consumer goods industry as well as in agriculture. However, engineering alone accounts for 30 per cent. of the agreements hitherto concluded.

Gains unlik in Finnish p

By Lance Keyworth

HELSINKI, Oc

THE FINNISH local ment elections on Octo 18 will bring little cha the balance of power b the main parties. This conclusion reached b public opinion polls pu in the past week.

The four biggest parti the Social Democrats, munists (FCP), (formerly Agrarian) and servatives, in that orde expected to make small at the expense of th smaller parties.

The most interesting f of the election will be much the FCP gains a expense of the Social erats. Both these lef parties were in the five Popular Front coalition ernment that collapsed end of September, because of FCP po tactics to score points i election campaign.

One opinion forecasts crease of 2.7 per cent. fo FCP on the last electio 1972, giving it a total o per cent. of the poll. The prediction gives the FCP 18.7 per cent. of the votes. Both opinion polls see Social Democratic positi almost unchanged.

The preliminary should be available la October 18.

NEW SWEDISH COALITION

Morality of nuclear energy

BY HILARY BARNES

COPENHAGEN, Oct.

THE FIRST week in office for the new Swedish Right-Centre coalition, appointed last Friday, was marked by open conflict between the coalition partners over energy policy. The problem was emphasised when, on his first day at work, Energy Minister Mr. Olof Johansson appeared at a demonstration against Government nuclear policy. This immediately released a flood of speculation in Stockholm that the energy issue may break up the Government within the next 12 months. It is difficult to say whether or not this speculation is realistic, but it underlines the serious problems which face the coalition.

The trouble can be attributed to the profound pre-election commitments made by the new Prime Minister, Mr. Thorbjörn Fälldin, leader of the Centre Party. He is convinced that the risks associated with nuclear energy, not least for future generations, are morally unacceptable. He advocates the closing down by 1985 of the five commercial reactors now operating, and a halt to all work on reactors under construction or planned. In the election campaign, he said that he would not be a Minister in a Government committed to pursuing the present nuclear programme, which envisages 13 reactors in operation by 1985.

Mr. Fälldin was forced to back down during negotiations on the formation of the coalition between his Centre Party, the Liberals and the Conservatives, when faced with an ultimatum by Liberal leader, Mr. Per Ahlmark and Conservative leader, Mr. Gosta Bohman. The touchstone was whether the second reactor at the Barsebäck power station near Malmo should be loaded with nuclear fuel and started up. The Government policy declaration presented to the Riksdag (parliament) last week said: "The nuclear power station, Barsebäck II, which is completed, will be taken out of operation if a contract on reprocessing (of nuclear waste) is not produced by October 1, 1977."

The programme also stated: "Nuclear energy units now under construction may not be put into operation, unless the enterprise concerned can produce an acceptable contract on the re-processing of used nuclear fuel, and demonstrate how and where an absolutely safe storage of the highly radiocative waste can be effected."

If all goes according to plan, energy policy will receive its final formulation in 1978, when the Riksdag will have before it, among other alternatives, a stand-by plan to phase out nuclear power, if the safety and waste-processing problems have not been solved. The decision to allow the fuelling of Barsebäck was taken by Centre Party supporters as a breach by Mr. Fälldin of his pre-election commitments, which he did not dispute. But he said that, when faced with the choice, he had to form a coalition Government.

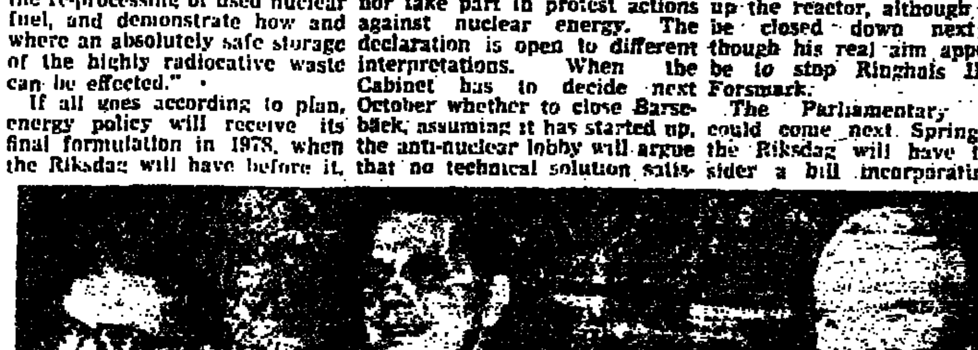
But, no sooner was the Government in office than Energy Minister Mr. Johansson, also a member of the Centre Party, attended, as bystander rather than an active participant, a demonstration by about 30 Centre Party youth wing supporters against the Barsebäck decision. He also made statements to the Press which were interpreted as a threat to resign, and taken by Liberal and Conservative leaders as opposition to Government policy. "The Government declaration must stop the march towards the nuclear society. If it does have this effect, the basis of the Government policy declaration falls away," said Mr. Johansson.

The Liberal and Conservative leaders lodged a protest to the Prime Minister, at the regular Cabinet meeting on Tuesday, against the Energy Minister's activities. They told Mr. Fälldin that members of the Government could not be permitted to place their own interpretation on the Government declaration, nor take part in protest actions against nuclear energy. The declaration is open to different interpretations. When the Cabinet has to decide next October whether to close Barsebäck, assuming it has started up, the anti-nuclear lobby will argue that no technical solution satisfactory can be acceptable to them. This will become more pressing to all concerned when the question of starting up the next two reactors arises next spring. These are the third reactor at Ringhals, and a reactor at Forsmark.

The sentence on Barsebäck refers only to "a contract on re-processing," but further reactors have to meet the duel criteria of "an acceptable contract on re-processing", and to "demonstrate where and how an absolutely safe storage" of nuclear waste can be effected. Mr. Johansson has said that, as far as Barsebäck goes, it is up to Sydkraft, the power util decide whether to risk s up the reactor, although be closed down next though his real aim appe be to stop Ringhals II Forsmark.

The Parliamentary could come next Spring the Riksdag will have sider a bill incorporati policy declaration on re-p ing and safety. The bill w the onus of proof on the ters of a nuclear programm if Mr. Johansson's hard reflected in the wording bill, there may not be a m

The escape route in th could be a consultative re dum, a possibility mentio the Government decla This would theoretically the coalition parties to a differ and to hand the de to the electorate.



The three Swedish coalition leaders—Mr. Per Ahlmark of the Liberal Party, Mr. Thorbj Fälldin of the Centre Party, and Mr. Gösta Bohman of the Conservative Party (from to right).

President Ford cleared on campaign financing

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Oct. 14.

THE WATERGATE Special Prosecutor to-day cleared President Ford of any wrongdoing in connection with his campaign financing while a *Congressman from* Michigan.

These suspicions have been one of several clouds over the President's election campaign in recent weeks and Mr. Charles Ruff's statement this morning will at least partially clear the air. *There are, however, a number* of other unresolved issues, the latest of which is Mr. John Dean's allegation that Mr. Ford was an active participant in White House attempts to stop Congress investigating the initial Watergate burglary. This is still outstanding and capable of dogging the President's tracks in the two and half weeks before the *nation votes.*

Nevertheless Mr. Ford immediately sought to capitalise on the Special Prosecutor's clearance by calling a nationally televised Press conference for this evening. This would appear to be the first unfettered such conference since the campaign began (Mr. Jimmy Carter claims that Mr. Ford has avoided the *Press since last February*).

The three commercial TV networks agreed later this morning to the President's request for air time. This decision however is likely to be controversial given the pervasive influence of the "equal time" doctrine. The networks *may feel obliged to offer* Mr. Carter similar facilities, particularly if Mr. Ford's Press con*ference turns out to be an elec*toral as opposed to a Presidential appearance.

The networks could not be more sensitive to this issue. Last week-end, for example, as part of a campaign trip, Mr. Ford *attended the televised football* game between the universities of Oklahoma and Texas and presided over the ceremonial toss of the coin before the match. ABC television, however, refused to cover this ceremony because it concluded that such *action would constitute giving* Mr. Ford free political advertising.

The essence of the never-substantiated charges against Mr. Ford was that, between 1964 and 1974 he had been the

recipient of illegal contributions from two maritime unions and that he may also have drawn on his political funds to finance his personal activities.

*Mr. Ruff, the special prosecu*tor, confirmed to-day that it was the FBI, acting on information received, who originally tipped off the Justice Department in July this year that something might be amiss and that the Attorney General, Mr. Edward *Levi, shortly afterwards* asked Mr. Ruff's office to take over the investigation.

Some Republicans have suggested that the FBI informant was politically motivated in his action, but Mr. Ruff discounted this *to-day.* "*Investigation,*" he said, "has revealed no apparent motive on the part of this individual to fabricate." Mr. Ruff did not, however, divulge the name of the *informant.*

Mr. Ruff then described his investigation. This had embraced examination of relevant documents from the maritime unions and Mr. Ford's own political committees in Kent County, Michigan, a perusal of Mr. Ford's own personal finances, provided by the White House, and a study of the Internal Revenue *Services's 1973 audit* of the President's income covering the years 1967-72.

This last document has already been made available to the Press. It disclosed, for example, that Mr. and Mrs. Ford lived off personal spending money of *a meagre $5 per week back in* 1972, among other things, which caused a few eyebrows to be raised.

However, Mr. Ruff concluded that "the evidence developed during this investigation was not corrobative of the allegation on which it was predicated. Nor did evidence disclosed during the inyquiry into that allegation give *reason to believe that any other* violations of law had occurred. Accordingly, the matter has now been closed and counsel for the President has been so advised."

ANACONDA-ATLANTIC RICHFIELD ANTI-TRUST SUIT

The FTC strikes

BY STEWART FLEMING IN NEW YORK

IN ONE of the most aggressive anti-trust moves in years, the U.S. Federal Trade Commission will to-day go to court to try to *block* the $700m. merger between Atlantic Richfield, the eighth largest U.S. oil company, and Anaconda, the third largest copper company.

The FTC's move comes only a week before shareholders of Anaconda were due to vote on *and probably* approve a merger which would value their shares at around $434m. ($34 each with nearer $20 early in the year).

Atlantic Richfield is already the fifteenth largest U.S. industrial concern and along with British Petroleum, one of the companies *which is expected to* profit most from the development of Alaskan oil. If the merger were to go through the two companies would have sales *revenues in excess of $8.5bn.*

The burden of the FTC's complaint is that the merger will reduce *potential competition in* the copper refining and producing industry and also in the uranium *industry.* One of its arguments will be that Atlantic Richfield would have entered into these lines of business (as other oil companies have done) on its own and in a much smaller way than by buying the country's third-largest copper *company.*

The most significant feature of the anti-trust move however is that *it will* be the first time that the FTC has tried to get a merger blocked in advance using what are known as the "potential competition" theories of anti-trust action.

Behind this unusually bold move lurks a growing fear in both the U.S.'s major anti-trust and anti-monopoly agencies that big business is proving too *powerful an adversary for them* to take on in the courts.

The normal anti-trust procedure in the potential competition case is best illustrated by the FTC's role in the Kennecott Copper and Peabody Coal merger back in 1968. The case also illustrates the immense power which the *FTC (or the Justice* Department) can have when they decide that mergers or business practices are against the public interest, threaten com*petition* or restrain trade.

In the ensuing years after that merger the FTC in bitterly fought court room battles secured an order that Kennecott should sell off the $1bn. Peabody Coal Company, the country's largest coal concern. A basic *argument* was that Kennecott had a small coal business and would have expanded it without *buying Peabody.*

Similar potential competition arguments are being used against British Oxygen's acquisition of a big stake in Airco in the U.S.

Kennecott is now in the process of divesting itself of Peabody, a process which should be *completed* in the next few months at most, the company having exhausted all legal *appeals.*

While this may be seen as a singular triumph for the FTC it has been *increasingly* apparent in the past three or four years that big business is learning to use the courts to block anti-trust actions with more success.

Only last week in an interview with the Financial Times in Washington, a leading Government *anti-trust official* conceded that the agencies have become so concerned about this trend that there are doubts about whether they can be effective in suits against major companies. The alternative, he suggested, is that anti-competition cases may end up having to be forced through *by Congressional legislation of* the sort introduced in the past year in both the Senate and the House of Representatives, to break up the oil companies.

The evidence of the opporunities big business has for procrastination is best provided *by cases involving Exxon,* the nation's biggest oil company, International Business Machines (IBM), its biggest computer concern, and American Telephone and Telegraph, which has a

In some respects the Commission's move has the appearance of a pre-emptive strike which if successful could avoid the lengthy, costly and maybe fruitless court battles it is experiencing elsewhere.

virtual monopoly *in* the telephone market and is known affectionately as "Ma Bell."

Either the Justice Department or the FTC has suits against all these multi-billion dollar corporations. Nearly three years after issuing a monopoly complaint against Exxon and seven other petroleum giants the FTC is bogged down in procedural court delays which could delay the case for several more years.

The cases against IBM and *AT and T, the biggest anti trust* suits in history, are similarly ensnared. The action to break up IBM, brought by the Justice Department formally began in 1969. It is being tried almost daily in New York and no end is *in* sight even though outsiders guess that the suit has already cost the two sides over $100m. In spite of the Judge's assiduous efforts it is argued that the 27m. *documents in the* case are beyond the human ability to master and comprehend.

The case against American *Telephone* and Telegraph is four years old and by some accounts progressing even more slowly. In a move which anti-trust officials are finding profoundly disturbing, the giant corporation, which earns profits of around $1bn. a quarter, has even gone on the offensive. Using its *powerful political friends* it is seeking to get legislation passed which would reinforce its monopoly position.

Recently, after six years of preparation, the FTC decided that it did not have a monopoly case against leading tyre companies and it has been forced to back down in a case involving the major car rental agencies. *However, some observers* argue that these failures reflect weak preparation by the agency.

It is against this background that the move against Anaconda and Atlantic Richfield (ARCO) needs to be seen, for in some *respects it has* the appearance of a pre-emptive strike by the Commission which if successful could avoid the lengthy, costly, and maybe fruitless court battles it is experiencing elsewhere.

Whatever the strategy the move has important implications for *U.S. industry, especially the* oil company sector. Oil companies have already shown signs of being among the most aggressive acquisitors in the U.S. as *they seek to diversify away* from a wasting asset (crude oil) into other businesses, particularly energy-related operations like uranium and coal, or raw material mining.

Last year for example Standard Oil of California (Chevron) spent $300m. buying 20 per cent. of Amax (formerly American Metals Climax) a leading copper, lead and zinc producer.

"The uranium industry is however a *highly concentrated* business with the top four companies controlling about 60 per cent. of production and the U.S. Justice Department has already launched an investigation into price fixing in the industry."

Like Anaconda, ARCO has uranium interests and the reduction in competition implicit in a merger of the two lies behind *part of the FTC suit. In addition* (and perhaps of more significance to oil companies wanting to diversify by acquisition) the FTC is arguing that by adding Arco's financial power (it has annual sales of over $7bn.) to Anaconda's market strength in the already concentrated copper industry, competition in that market will be adversely affected.

Finally it is argued that the acquisition will eliminate Arco *as a potential competitor in the* copper mining and refined copper markets for Arco is a "potential entrant" into these fields.

Bid to woo farm states

BY DAVID BELL

WASHINGTON, Oct. 14.

PRESIDENT FORD moved to shore up his support in *traditionally* Republican farm states last night with an announcement that wheat price supports are to be raised by 50 per cent. at once.

The President's action—taken in the face of lower wheat prices—came less than a day after the Chief Economist at the Department of Agriculture said there was "no economic justification" for such an increase.

Mr. John Knebel, the Acting Agriculture Secretary, said that the President's "very humane decision" was completely unrelated to the fact that Mr. Ford is to visit Iowa to-morrow. Polls in this usually Republican State show the President in very *serious trouble as do surveys* in many other parts of the so-called "farm belt."

Mr. Ford has also once again been somewhat upstaged by Mr. *Jimmy Carter.* The Democratic nominee called for an increase in wheat suport prices some days before the *President raised them* just as he called for restrictions on beef imports some days before the President imposed them. Thus the political advantage of both moves may have been rather dulled and the Republicans may gain less from them than *they might have* expected.

Mr. Carter has been cultivating the farm states for some time and is popular with farmers because of his own agricultural background. More important, farmers have not forgiven the Republicans *for imposing four grain* embargoes in three years and they blame the administration for encouraging them to plant as many acres as possible and then *not adequately supporting* them in the face of falling prices.

They are also worried that the improvement in this year's Soviet harvests has deprived them of part of the lucrative export market that they have grown accustomed to these past few *years.*

A major reason that President Ford chose Senator Robert Dole of Kansas as his running-mate was the need to shore up this suppor. Bu there is no sign that Mr Dole has really made much difference.

According to most estimates the 13 major farm states have about 125 electoral college votes. Some of them, like Illinois and Indiana, also have substantial urban populations which usually vote Democratic.

Corporate bribery move

BY STEWART FLEMING

NEW YORK, Oct. 14.

A NEW stage has been reached in the investigation of corporate bribery in the U.S. with the announcement by the Justice Department that it has established a special task force to press criminal charges in some cases.

The task force is expected to include representatives of the U.S. Securities and Exchange Commission, the U.S. Government's *investor protection* agency which has forced some 225 companies to admit to having made illegal or improper payments both in the U.S. and abroad.

The SEC has made it clear that while in many cases disclosure *of payments (especially made* abroad) would be the end of the matter it has also indicated that this might not be the case with every situation.

There have already been some 30 or 50 criminal actions brought by the Watergate special prosecutor against alleged illegal political contributions by U.S. *corporations domestically.*

It now seems, however, that *the growing number of instances* in which apparently illegal payments have been made has prompted the Government agencies to step up their activities.

The task force is expected to look for violations of several *federal laws* since there are no specific anti-bribery statutes. These laws could be those dealing with mail or wire fraud, making false statements to the *government* and securities laws.

It seems that prosecution of companies or officers who have made voluntary disclosures of improper payments is not ruled out.

Chile 'repression' attacked

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Oct. 14.

THE APPARENT normalcy of Chilean daily life observed by foreign visitors is a facade behind which lies a system of repression marked by political arrests, detention, torture, abduc*tions and deportation which* "should not occur in our time in any country," a United Nations human rights panel reported today on a new inquiry into the situation in Chile.

After indicating a readiness to receive them in Santiago, the *Chilean Government reversed* itself and the panel gathered evidence from other sources, including deportees who had been tortured.

The panel said in its 229-page report that Oswaldo Romo, alleged to be one of the chief torturers in the *secret police,* whose existence was denied by Chile in the UN General Assembly, should be tried by the international community. "This would be more than a symbolic action, and it would act as a deterrent to all such torturers *everywhere.*"

The group added that a special and probably effective role might be assumed by states with sizeable trade relations with Chile, by influencing the Government progressively to restore human rights.

He added that those suspected of opposing or potentially opposing the regime were called Marxists, regardless of political affiliation, and the judiciary, acting out of fear or political prejudice, had become accomplices in a process of ignoring or *destroying basic juridical norms* and traditions.

Jamaican police stations attacked

Several police stations in the Kingston area are now being guarded by soldiers following attacks on the stations by armed *gangs* dressed in military uniforms, writes Canute James.

In the attacks, stations and policemen have been shot at from moving vehicles, and a Molotov cocktail was thrown into a station at the National Stadium in Kingston earlier this week. The bomb *exploded* but no one was hurt.

Neither the Army nor the Constabulary forces have yet identi*fied the group of attackers,* increasing speculation here that the attacks were mounted to increase friction between the Army and the police.

Flu shots resumed

The Allegheny County health *department in Pennsylvania* will resume its swine flu immunisation programme for elderly and other high risk persons on Monday, AP-DJ reports. The centres have been closed since Tuesday following the deaths of three elderly residents who died shortly after *receiving flu shots from the same* health clinic.

OVERSEAS NEWS

No China comment on execution report

PEKING, Oct. 14.

AN OFFICIAL Chinese spokesman to-day declined to comment on a foreign Press report that Mr. Wang Hung-wen, vice-chairman of the Chinese Communist Party, and three other radical leaders had been executed. Foreign diplomats here said they had heard nothing to substantiate the report.

According to reliable information, Mr. Wang is under arrest along with three other Chinese leaders—Mao Tse-tung's widow Chiang Ching, Vice-Premier Chang Chun-chiao and Yao Wen-yuan.

Reuter

A special correspondent adds: There is as yet no evidence to substantiate reports out of Peking that a further 30 or 40 people have been arrested in a new round-up of radicals.

The expectation that further arrests are certain to follow the seizure of the four top radicals who have prosecuted the bitter campaign against capitalist roaders in the party and who engineered the downfall of one-time acting Premier Teng Hsaio-ping, has prompted an enormous groundswell of speculation, and rumour among foreigners in Peking.

The arrest story appears to have originated from a list compiled here by some diplomats of likely candidates in the event of a full scale purge.

There are reports, still unsubstantiated, that troops yesterday circled the building at Peking University occupied by a group of radical left-wing writers.

To-day both Peking University and Tsinghua University, the science and engineering university which has been in the forefront of the campaign, are quiet.

Peking Radio and Peking's Press have still made no official announcement of Hua's elevation to the Chairmanship of the Chinese Communist Party in succession to Chairman Mao.

David Satter writes from Moscow: The Soviets have been completely silent on the accession to power of Hua Kua-feng.

The only Soviet reaction to leadership changes in China has been an article in Pravda to-day quoting British and French Press reports of the arrest of the four radical leaders.

ON OTHER PAGES

Fierce Palestinian resistance to Syrian assault

BY IHSAN HIJAZI

BEIRUT, Oct. 14.

FIERCE house-to-house fighting raged to-day in the mountain resort of Bhamdoun 12 miles east of here as the Syrian Army stepped up its offensive against Palestinian forces and their left-wing allies there.

Eye-witnesses reported that thousands of Syrian artillery shells and rockets fell on Aley and nearby villages as Syrian Soviet-made heavy tanks advanced along the main Beirut-Damascus highway.

Syrian combat aircraft strafed their positions in the area, according to a spokesman of their command who was quoted by the Voice of Palestine radio station. There was no independent confirmation of the report but—if it is correct—then it would be the first time that the air force has been used in an attacking rather than a reconnaissance role.

Compared to the easy gains the Syrians scored in their military campaign in the Jezzin area, 30 miles south-east of here on Tuesday, their advance in the Bhamdoun-Aley axis has been slow and bitterly contested.

The Syrian offensive there, now in its second day, appears to be aimed at controlling the Beirut-Dasmascus highway by driving the Palestinians and left-wing out of the region and linking up with right-wing forces in Kahalah only five miles down the road from Aley.

Palestinian forces especially have put up a desperate defence in the hills around Bhamdoun.

According to reliable military sources, casualties on both sides were heavy. The Palestinians claimed to have destroyed 15 Syrian tanks and killed or wounded hundreds of the attacking soldiers.

The Palestinians and their left-wing allies believe that the Syrian military objective is to reach Baabda, where Mr. Elias Sarkis, President of the Lebanon, has his offices and residence. Once the Syrians are there, Palestinian and left-wing positions in the Beirut area will fall within the range of their artillery guns and rocket launchers.

It is doubtful whether the Syrians would seek at this stage to enter the Moslem-controlled West Beirut. They would probably try instead to wage a war of attrition to force the Palestinians and their allies to surrender.

In the south, Syrian forces to-day kept up their artillery and missile barrage against the forces of the so-called National Movement which had fallen to their second line of defence only a few miles east of the port of Sidon. The Syrians had already driven the Palestinians from two main strongholds, the towns of Roum and Azour.

Yen past its peak

BY CHARLES SMITH

TOKYO, Oct. 14.

THE YEN has passed its peak on the Tokyo foreign exchange market according to Japanese bankers commenting on yesterday's slide in the yen-dollar exchange rate by 1.20 points in a single day's trading.

Yesterday's closing rate of Yen 292.30 to the dollar on the spot market compares with the top rate of Yen 286.30 to the dollar reached on September 16.

Bankers say there are some underlying factors which will prevent the Yen getting back to the "mid-eighties" on the Tokyo market as well as a few short term factors which are contributing some additional temporary weakness.

The underlying factors include a probable rise in the value of Japanese imports, especially after December this year when Opec is expected to decide on a further rise in crude oil prices.

More temporary factors in the yen's current weakness include recent heavy sales of Japanese securities by foreign investors who have been alerted to the fact that the Japanese economy has lost a good deal of its impetus since early this year.

Another important factor has been a rush to cover short positions by Japanese trading companies. Japan's major trading companies are quick to react to new trends on the somewhat narrowly based Tokyo foreign exchange market and have clearly decided that, for the time being, the yen is not going to set any more records against the dollar.

Japanese banks expect the yen to recover some of its lost strength against the dollar, recovering perhaps to a level 290 or thereabouts within the next week or so.

IDA wins $7bn. capital pledge

KYOTO, October 14.

THE INTERNATIONAL Development Association (IDA), which lends to the world's poorest nations at nominal interest rates, to-day appeared to have won a battle for survival after major industrialised countries agreed to increase its capital.

IDA vice-president Ian Cargill told Reuters the industrialised group—including the United States, Japan, West Germany and Britain—had agreed to provide between $7-7.5bn.

"It is probably correct to say $7.5bn. will be our ceiling," Mr. Cargill said, adding that the industrialised nations wanted oil-exporting countries to supply the remaining $1.5bn. sought by the IDA.

The IDA is in danger of running out of funds by July 1977 unless it can raise $9bn. The IDA—an affiliate of the World Bank—to-day concluded a two-day conference here.

Mr. Cargill said he had not yet contacted the oil producers about their proposed share of the increased capital, but added it should be possible to reach agreement on the issue at the IDA's next meeting scheduled for January 1977 in Kuwait.

Reuter.

'Oils' compensation

THE Indonesian Government has taken action to force a local trading company, CVPD Farmaport, to compensate British, Japanese and American importers for shipments of "essential oils" that turned out to be sludge and water on arrival, writes Hamish McDonald from Jakarta. Industry sources estimated a total loss of about $2m. The worst hit appeared to have been a British company, Fuerst, Day, Lawson and Co.

Malaysia surplus

Malaysia had a trade surplus of Ringgit1.54bn. in the first half of 1976 compared with surpluses of R34.3m. in the same period last year and R715m. in the full year 1975, the Statistics Department said, Reuter reports.

Todd on team

Former Rhodesian Prime Minster Garfield Todd has been named as a member of Mr. Joshua Nkomo's team to the Geneva conference on forming an interim government for Rhodesia, Reuter reports from Salisbury.

'Home' to perhaps 1m. black South African men is a crowded one-sex hostel far from home and family. John Kane-Berman examines . . .

A problem compounded

TWO SUCCESSFUL work boycotts by the black workers of Soweto and other townships around Johannesburg, besides largely paralysing economic activity in South Africa's most important industrial centre, have apparently brought about a remarkable and significant shift in black allegiances.

The first developed into violent clashes between migrant workers living in Soweto's vast hostels and other Soweto residents. But in the latest demonstration against apartheid, the men' of the compounds came over to the side of the young people who staged it.

Shortly after fighting had broken out during the first stay-away, the Kwazulu leader, Gatsha Buthelezi, visited the compound concerned, and appealed for unity among blacks. While he is not recognised as their leader by most city blacks, it appears that he does have a large following among compound men, most of whom come from the rural areas, where tribal authority is often still intact. Meetings were apparently held between the two sides, at which, it is said, the compound men complained that they had been forgotten when the boycott of August 23 was planned. The young people evidently explained what they were trying to achieve by organising their campaign, and appear to have gained the support of the compound men.

The 50,000-odd men who live in the Government-owned and managed compounds in Soweto are only a fraction of the Republic's compound-dwellers. Another 500,000 or more live in the compounds on the gold, coal and other mines. If compounds in black locations other than Soweto are included, together with those run by private companies, schools, universities, the railways and other organisations, the number of men housed in all-male compounds is probably around 1m. A smaller number of women live in compounds of their own.

The great majority are migrant workers fro mrural areas. The compounds are bleak, soulless places. They vary in size from small ones housing no more than 50 men to some mine compounds which house 10,000 or more.

Conditions in some of them can only be described as degrading and inhuman. I recently visited a compound at City Deep gold mine, which is part of the Rand Mines group. In one room there were 24 men, sleeping on double-decker concrete bunks, devoid of all privacy. In the middle of the room was a coal stove, around which some of the men huddled for warmth. Clothes were hanging from wires stretched across the room. Apart from the stove, there was no light in the room. Nor were there any tables and chairs. There are no private cubicles in th lavatories either: in one lavatory, I saw places for about 20 men to sit side by side.

Queueing for food: African miners receive their measure of sustenance.

At some of the newer mines, the facilities I have seen are a little better: there are fewer men to each room, and there sometimes are separate lavatory cubicles. But even if the accommodation provided were of the standard of a five-star hotel, the overriding objection to the compound system would still remain: the fact that the men are herded together without their wives and children.

The resulting problems are legion: prostitution, homosexualitq, venereal disease, excessive drinking, violent behaviour, and the disintegration of marriages. Men living in the compounds tend very often to find other "wives" in neighbouring residential areas, and neglect to send money home to families whom they have left in the rural Bantustans. At home, their wives, in their turn, look for other men. When the husbands do eventually return they may find that there is no place for them at home. They may divorce their wives when they discover that they have taken other men during the period of separation, and even had illegitimate children by them. A father who returns home may find that his own children regard him as a stranger.

Violence has become endemic in the mining compounds. Since September 1973, when 12 men were shot dead by the police at Anglo-American's Western Deep Levels gold mine during a pay dispute, about 180 black miners have been killed in the compounds. Some have been shot by police called in to quell disturbances, others were stabbed in gang-fights. A recent Government commission of inquiry came to the conclusion that the compound system was to blame for the troubles. The government has refused to publish the commission's report.

Not all migrant workers live in compounds. Many, such as domestic servants in white households, live in rooms at the back of their employer's premises, again without their families.

An economist at the Un[...] sity of Natal, Mrs. Jill Natt[...] recently calculated that [...] are 1.8m. migrant worke[...] the Republic (including 26[...] women)—though she says [...] total may be as high as 2m. [...] in three African workers in [...] Republic is a migrant. [...] migrants constitute 60 per [...] of the economically active [...] in so-called white areas. N[...] 400,000 of them come [...] neighbouring countries [...] Mozambique, Lesotho, and [...] lesser extent) Rhodesia, [...] wana, Swaziland, and An[...] Mrs. Nattrass says that sinc[...] second world war the nu[...] of migrants has been incre[...] faster than the number of ec[...] mically active Africans. Mig[...] thus comprise a growing pr[...] tion of the black work-forc[...]

African men may only l[...] the rural Bantustans to ente[...] called white areas if they [...] been recruited by a specific [...] ployer, for a job in a sp[...] category. They are not all[...] to bring families. Contract[...] for one year at a time, and [...] expiry, the men have to re[...] to the Bantustans to be recr[...] again. Even for employers [...] system has disadvantages [...] main one being that it can [...] for a high labour turnover [...] cause workers have to retur[...] the Bantustans at the en[...] each year, many employers [...] that it is not worth giving [...] proper industrial training.

Since Africans comprise 7[...] cent. of South Africa's [...] workers, the economy could [...] survive without them. But [...] Government is in fact tryin[...] make each and every Afric[...] foreigner. When the Tra[...] becomes independent [...] Oct. 26, each and every Xh[...] speaking African in South Af[...] (other than those who [...] posedly have some "ethnic" [...] with the Ciskei Bantustan) [...] become a citizen of the Tra[...] and lose his existing S[...] African citizenship. This ap[...] both to the 1.6m. Xhosas [...] live in the Transkei and to [...] 1.3m. who live in white a[...] They have no choice in [...] matter.

The Government's intentio[...] to apply this policy in all [...] other Bantustans as well. [...] Africans in the Republic [...] then have become foreign[...] The Government will [...] legitimated its refusal to g[...] them the franchise and [...] political rights by saying [...] they are aliens.

This design overlooks that [...] great majority of Africans in [...] nominally white industrial [...] have been settled there [...] generations.

WORLD TRADE NEWS

U.K. construction groups win £1.4bn. overseas work

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

...TISH CONSTRUCTION com-...ies are stepping up their ...rts to win business overseas ...the face of the continuing ...estic recession, according to ...ernment figures issued yes-...day.

...ew contracts won by U.K. ...tractors in the 12 months ...ing in March this year were ...ed at £1.43bn. at current ...es, an increase of £310m. on ...previous year.

...uring the same period, over-...work actually carried out ...unted to £875m., compared ...£467m. in 1974-75. The ...e of work outstanding on ...seas contracts rose by ...m. during the period to a ...l of £1.85bn.

...he figures represent a major ...rt by the U.K. construction ...tor to increase its penetration ...foreign markets, a drive ...ch now has full Government ...port and which is thought to ...e intensified further in ...ent months. The extent of ...real improvement, however, ...artially distorted by the cur-...t price totals and some of ...growth must be accounted ...by inflated costs.

The Department of the Environment calculates that net earnings from the overseas activities of the U.K. construction sector amounted to £158m. at current prices, compared with a comparable total for the previous year of £110m.

When the overseas earnings of consulting engineers, architects and surveyors, and the earnings from direct investment of British parent construction companies abroad are also taken into account, the total contribution to the U.K. balance of payments exceeded £350m.

Not surprisingly, the level of new contracts obtained in overseas markets was dominated by large projects won in the Middle East. These were valued at £566m., an increase of £85m. over the previous year.

Among major contracts was the £85m. job which went to Costain Civil Engineering and Taylor Woodrow International to extend Port Rashid in Dubai. Another contract won by the same joint venture was for the expansion of the Dubai dry dock complex, worth £71m. Other large contractors now operating in the region include Balfour Beatty, Tarmac International, Bovis, Wimpey, Cementation and Laing.

British building and civil engineering operations also managed to step up activities in several other major trade areas. The value of contracts obtained in Asia as a whole during the year—a figure which includes some of the Middle East output—stood at £599m. while work actually carried out rose sharply from £161m. to £399m.

In Africa, the value of contracts won rose for the second year running to touch £491m. against £258m. in the preceding year. Work carried out in the African market last year was worth £229m. compared to £127m. in the year before.

American contracts also rose, with business won by contractors valued at £93m.—£21m. up on the previous year. Work carried out in the U.S. was worth £84m., against £52m. in the year before.

In Europe, the value of new contracts taken on fell however, by £13m. to £151m. The EEC countries accounted for only £16m. of the total, compared with £41m. in the preceding year.

Further rationalisation likely as S. African car sales slump

BY RICHARD ROLFE

JOHANNESBURG, Oct. 14.

...TH AFRICAN car sales fell ...rply in September and are ...at the lowest level since ...ril 1972. As the latest figures ...lect the period immediately ...ore yesterday's harsh curbs ...petrol usage, which require ...ages to close from Friday ...on through to Monday morn-...it is quite possible that the ...line in sales is set to con-...ue.

About 4,000 auto industry ...rkers are to be laid off and the ...rketing manager of Ford ...th Africa has been quoted as ...ing: "The motor industry ...dealers cannot survive on ...volumes seen last month and ...ething must be done."

...ar sales in September were ...860 units and were 10 per ...t. down on the August figure and 38 per cent. below the figure for September a year ago. VW remained the market leader, with a 16 per cent. share, followed by Ford with 15 per cent. and Datsun with 13 per cent. This order is unchanged on a year ago, but in terms of market share both Ford and Datsun have gained a couple of points. The big loser has been GM, with its mainly large capacity range of cars. Against unit sales of 2,528 in September 1975 it is now down to 1,396. At the bottom end of the scale, Lancia "and others" sold a mere 12 cars in September, though it was at least up on nine a year ago.

Slippage was less serious on the commercial vehicle side, where Toyota is the market leader with 1,853 units or 19 per cent. of the market, followed by Datsun (18.6 per cent.), Ford (14.5 per cent.) and GM (13.7 per cent.). But though commercials are only slightly down on August figures, they are 28 per cent. down on a year ago and again GM has been the big loser, with its commercial unit sales falling from 2,483 to 1,320 units.

Despite calls for Government action, it is hard to resist the conclusion that the industry must save itself, as Government's main preoccupation is to trim consumption of petrol.

Further rationalisation also seems probable. Peugeot and Citroen have just begun to consolidate their local sales for the first time. Toyota has absorbed Renault and Chrysler is still engaged in talks with the distributing group Illings over a manufacturing and marketing deal.

Toyota, Nissan step up exports

TOKYO, Oct. 14.

...YOTA MOTOR said its auto ...orts jumped 36.6 per cent in ...tember from a year ago to ...862 units. Exports in August ...alled 88,793 units. While over-...September production fell 12 ...cent. to 216,467 units.

...xports during the first nine ...ths of 1976 rose 37.5 per ...from the same 1975 period ...572 units. Overall motor ...uction from January to Sep-...ber increased 5.5 per cent. to ...362 units.

...Exports to the U.S. in Septem-...r rose to 27,167 units, from ...739 units a year ago and ...328 units in August. In the ...st nine months, exports to the ...S. rose 63.1 per cent. to 310,723 ...hicles.

...Exports to all of Europe, ...cept Britain, rose 36.5 per cent. ...ne month exports totalled ...9,860 units, up 20 per cent. ...m the same year ago period. ...ports to Britain in September increased 83.9 per cent. from a year ago to 2,266 units, but the nine month total fell 23.8 per cent. to 16,073 units.

The company shipped 9,233 units to Saudi Arabia in September, up from 5,540 a year ago. Exports to Australia, totalled 7,634 compared with 6,863 a year ago.

At the same time Nissan Motor said its September motor exports rose 35 per cent. from a year ago to 96,013 units, and up from 86,316 units exported in August, while overall production rose 12 per cent. from the year earlier month to 209,789 units, up from a year ago to 18,872 units—sharply from August's 161,031 units.

Exports to the U.S. increased 36 per cent. in September from a year earlier to 34,801 units, up from August exports which totalled 31,537 units.

For the first half of fiscal 1976 which began in April, Nissan's exports rose 32 per cent. from the same year-earlier period to 561,954 units.

In the first half exports to the U.S. jumped 37 per cent. from the same year-ago period to 201,646 units. September exports to Mexico rose 195 per cent. from a year ago to 7,080 units—exports to Saudi Arabia were up 40 per cent. to 6,376 units—to Australia, down 12 per cent. to 4,990 units—and to Britain, were down 37 per cent. to 3,470 units. But exports to Britain in the first half ended September rose 16 per cent. from a year ago to 45,783 units. First-half exports to Australia jumped 57 per cent. to 43,976 units—Saudi Arabia, exports were up 61 per cent. to 43,457 units—and exports to South Africa rose 6 per cent. to 25,007 units.

AP-DJ

Aerospace sales rise

By Michael Donne, Aerospace Correspondent

Exports by the aerospace industry during the first eight months of this year amounted to more than £607m., or about £100m. more than the £508m. recorded in the first eight months of 1975.

The Society of British Aerospace Companies says that of this total, aircraft and parts accounted for over £282m., while engines and parts accounted for over £259m.

Certain factors have to be taken into account in assessing the figures, however.

First, continuing inflation is helping to boost the sterling values for exports, while the figures also include parts which are shipped to the Continent for inclusion in civil and military collaborative aircraft ventures, which are offset by imports of corresponding parts for the U.K.'s share of those ventures.

Also, the figures contain a high proportion of work in the spares and overhauls field

Taking these factors into account, sales of entirely new aicraft in the first eight months stood at only £74m., with exports of new engines at £71m.

Soviet gas turbine

AEG-Kanis Turbinenfabrik and Mannesmann-Export have received a new contract valued at DM50m. for delivery of a gas turbine compressor station to Russia, AP-DJ reports.

Russia-Iran talks

Soviet Minister of Foreign Trade Nikolai Patolichev arrived in Teheran to discuss doubling the countries' barter trade to $3.2bn., AP-DJ reports.

U.K. team for India

A 15-member British industrial delegation led by Sir Ralph Batesman will be visiting India towards the end of this month to assess the potential of Indian industry for possible collaboration in joint ventures in third countries, writes our Calcutta correspondent.

Anxiety over policy changes brings traders to Canton Fair

BY PAUL STRAUSS

HONG KONG, Oct. 14.

A GREATER than usual number of traders are expected to attend China's 40th session of the semi-annual Canton Trade Fair which opens to-morrow.

The reason many explained, before departing by train to the north to-day, was their anxiety to learn about China's trading priorities in the post Mao Tse-Tung era. But, few experienced traders think any policy changes will yet be apparent from the political storms which *apparently swept Peking last week.*

On this subject, there are two schools of thought. By far the majority of regular visitors to the fair believe that a high priority has been set by Chinese leaders to show the world a "good fair" at this time.

The converse view is that with the recent apparent changes in leadership, even relatively innocent trade fair cadres will be worried about the future line. "It will be a dead fair, not much going," said a German trader.

To produce a "good fair"—which means a good impression on the 25,000 or so visitors to the month-long exposition—China must sell more items without greatly raising her prices. Most traders agree that this will be difficult to do in the wake of the massive Tangshan earthquake and extensive flooding in the Yangtse River valley.

"I think they will try to conserve foodstuffs and textiles, which are normally exported," said one experienced Asian trader. "Arts and crafts sales will be normal, but some light industrial products may be reserved for domestic sale." Japanese sources said they had been told by Chinese officials that soyabean sales would be lower than expected.

The role of Canton's Fair—officially the Chinese export commodities fair—has been reduced within the Chinese economy in recent years. It is estimated to account for about 25 per cent. of China's $7bn. in exports and for virtually no imports whatsoever.

During past trading sessions, China bought some machinery but mainly such essential commodities as speciality steels, dyestuffs, plastic intermediaries and fertiliser. During the last trading session, which ended on May 15, these purchases were cut to virtually nothing.

Some salesmen believe that China will now resume buying, mainly because dyestuffs and *speciality steels must* now be in almost desperately low supply but also for the purpose of increasing the number of "transactions" which take place at the fair.

Traders also seek information—but it is unlikely that a decision will yet have been made on the question of whether the fair will be cut back to a single annual session. China is considering this step which has mainly been caused by the growing popularity of "mini-fairs" or, in other words, small specialised trading sessions.

Fall in U.S. exports to China

BY COLINA MacDOUGALL

U.S. EXPORTS to China in the first half of this year fell to $120m., nearly 19 per cent. below 1975 figure of $148m. for the same period. This is mainly the result of the ending of U.S. cotton shipments to China.

The total would be lower still if the Chinese had not continued to import a huge quantity of aluminium, which amounted to a sum of $25.6m. in the first half of 1976, following on $40m. in the whole of last year.

Other leading American exports to China in the half-year period, which include steam engines and turbines ($7.5m.), gas compressors ($5.6m.) and steam power boilers ($3.2m.), are thought to be equipment for the ammonia plants bought from Pullman Kellogg three years ago as part of a chemical fertiliser complex.

It seems unlikely that the Chinese will continue to import aluminium on the present scale, and what will replace it and the Kellog equipment when deliveries are completed is not clear. The Chinese have been emphasising recently that they wish to see their trade with the U.S. more in balance, so they may place contracts elsewhere.

A delegation from the National Council of U.S.-China Trade which is at present in China, may be able to clarify Peking's intentions.

However, the trade gap has been reduced from $75m. in the first half of last year to $29m. this year, partly by a cut in Chinese imports but also through increasing exports. However, Chinese exports to the U.S. are handicapped by high tariff rates, a factor which the Chinese resent and are pressing to change. A fall in purchasing from the U.S. may be part of this strategy.

Chinese exports to the U.S., at $90.5m. for the first half of 1976 have risen through big American purchases of textiles and traditional items like feathers. Textile goods totalled four times the value they reached in the first half of last year.

China's tin sales to the U.S. which reached $23.7m. for the January-June period last year, fell to less than a quarter of that to $5.4m.

Dutch fears on Polish coal deal

By Michael Van Os

AMSTERDAM, Oct. 14.

THE DUTCH Government is hesitating on deciding whether to give its support to a unique import deal transaction with Poland tied to a large but unspecified development loan.

The Poles, Dutch sources said to-day, are prepared to sign an extension contract for coking coal supplies to Holland totalling 750,000 annually for ten years. But, unlike the current contract, which runs out mid-1977, the Polish authorities are also demanding a secondary untied loan thought to total $50m., as well as a loan which will be used to purchase an unspecified volume of steel products from the Dutch steel company Hoogovens, one of the two recipients of the Polish coking coal.

Expansion

Based on current coking coal market prices, industrial sources said, the Polish deal could represent a value of Fls.110-120m. annually. The dollar loan, it is understood, will be used to finance the expansion of the Polish coal mining industry to deal with the "fast rising" demand for this sort of coking coal.

Of the 750,000 tons, Hoogovens, the Dutch arm of the Dutch-German steel giant Estel, would get 400,000 tons annually. The rest would go to a coke plant in Sluiskil, in Zeeland Province, called Association Co-operative Zelandaise de Carbonisation (ACZC).

Sources in Amsterdam said that two major commercial banks, ABN and AMRO, are prepared to put up the money for the loans for the bi-lateral Polish-Dutch deal. But the prolems are that the Government was still reluctant to give necessary State guarantees for the transaction.

It is felt that what Poland has asked amounts to some considerable arm twisting and goes against all Dutch trade financing principles as the request would in fact boil down to a financing by Holland of Polish exports.

HOME NEWS

Labour policies 'undermine economy'

BY ADRIAN HAMILTON

THE ASSOCIATION of British Chambers of Commerce yesterday took the unusual step of writing to the Prime Minister demanding a radical change in Government economic policy.

The letter, which was very much the personal initiative of Lord Limerick, the association's president, has received the support of all the chambers and has been discussed with Lord Watkinson, president of the CBI, and Sir Derek Ezra, president of the British Institute of Management.

It declares that the country's plight "is the direct outcome of a wrong approach to economic management over a long period and moreover, that the present policies of your Government must make matters worse."

In particular, the letter accuses the Government of consistently and increasingly committing itself for far more non-productive expenditure than the country can afford and of excessive borrowing.

The letter suggests six measures: real and significant cuts in public expenditure; tight control of the money supply; a large reduction in the public sector borrowing requirement, with an end to the myth that North Sea oil will soon solve the country's problems; the massive transfer of resources from consumption into industrial investment and exports; the dropping of "inessential or divisive measures"; and finally an increase in productivity to the levels of our main industrial competitors.

North Sea oil group to sell 51% of output to BNOC

BY RAY DAFTER, ENERGY CORRESPONDENT

A MAJOR offshore oil group, which includes Occidental and Thomson North Sea, is to sell up to 51 per cent. of its output to the British National Oil Corporation under a new State participation deal.

The agreement, covering oil from the Piper and Claymore Fields, could have a significant impact on the growth of the state-owned BNOC for it gives the corporation an unfettered option to buy—at market price—in excess of 5m. tons of crude annually, appreciably more in the early 1980s.

This is at least 50 per cent. more than the amount of oil available to BNOC through its involvement in Burmah and National Coal Board finds and through participation agreements with Gulf, Continental Oil, Tricentrol and Ranger.

The oil industry is still unclear about BNOC's plans for disposing of this option and equity crude, however. As yet the corporation has no firm plans for becoming involved in refinery or chemical plant operations.

The Piper and Claymore Fields, which will be linked by pipeline to a terminal in the Orkney Islands, are owned by Occidental (36.5 per cent.), Getty Oil (23.5 per cent.), Allied Chemicals (20 per cent.) and Thomson North Sea (20 per cent.). None of the groups has downstream activities in the U.K. Consequently they have been more ready to provide BNOC with an option to buy their crude than other companies which are anxious to use North Sea oil for their refining and marketing interests.

British Petroleum, for instance, has agreed in principle to participation on the basis that it can safeguard its feedstock position through a buy-back and swap arrangement with BNOC. Shell and Esso, two of the biggest North Sea operators, have so far refused to agree to participation because of their concern about loss of feedstock security.

Mr. Anthony Wedgwood Benn, Energy Secretary, has made it plain that a willingness to negotiate participation arrangemnts will be deemed a condition for consideration of applications in the next round of licences. Over 130 companies have applied for new licences, 50 of which are being reminded of this condition in letters circulated this week.

The Occidental group's decision to sign heads of agreement on participation is regarded by Mr. Wedgwood Benn as an important step in the Government's participation policy. The group is the third largest owner of oil so far discovered in the North Sea.

"I look forward to concluding more participation agreements and so safeguarding and advancing the interests of the British people," said Mr. Wedgwood Benn.

The Piper Field, with between 750m. and 800m. barrels of recoverable reserves, is due to start producing oil nxt month. The first shipments will be available for sale in January. Output from the field is expected to rise to 240,000 barrels a day.

The Claymore Field with 410m. barrels of reserves according to latest estimates of consultants DeGolyer and MacNaughton, is due on stream next spring. Its peak production rate is expected to be 168,000 b/d.

North Sea Oil Review Page 33

Accounting inquiry committee set up

By Michael Lafferty

A COMMITTEE of inquiry under the chairmanship of Lord Cross of Chelsea, a former Lord of Appeal, is to undertake an urgent investigation into the regulatory procedures of the accountancy profession.

Other members of the eight-man committee include Mr. Martin Harris, Director-General of the Takeover Panel, Sir Ralph Bateman, past-president of the Confederation of British Industry, and Mr. Gordon Simpson, a deputy chairman of the Stock Exchange.

Only four of the committee, which was appointed yesterday by the three principal UK accountancy bodies, are accountants. Mr. Ian Bowie of City Accountants, Peat Marwick Mitchell, is a partner in professional practice.

The establishment of the committee of inquiry follows a request last week from Mr. Edmund Dell, Secretary for Trade.

Mr. Dell had called in leaders of the profession to express the Government's concern at the recent flood of criticism of auditors.

The Institute of Chartered Accountants in England and Wales announced the inquiry shortly after a second meeting yesterday with Mr. Dell.

Share ban

The accountants also told Mr. Dell that they will bring forward the publication of proposals on the independence of auditors early next year, which will probably ban all beneficial shareholdings by auditors in client-companies.

The possibility of requiring major companies to set up audit committees was also discussed at the meeting, and both the Department of Trade and the accountants will give further consideration to that.

In order to have audit committees, it would be necessary for companies to have a majority of non-executive directors on the Boards.

Such committees would provide a forum for discussion between auditors and the management of companies, and could provide an effective counterbalance to the influence of a dominant chief executive.

No timetable has been set for the completion of the inquiry, but the Secretary of State would have liked to have the committee's recommendations before Christmas.

This would give the Government time to bring in any necessary back-up legislation as part of the Bill implementing the recommendations of the Bullock committee on industrial democracy.

High level of home loans to continue

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

BUILDING SOCIETIES are honouring their commitment to maintain high lending levels at least until the end of 1976, despite the continuing decline in receipts.

Figures issued yesterday by the Building Societies Association show that, although net receipts in September dropped to their second lowest point of the year, mortgage advances during the same month remained well over £500m.

The association says the societies received £844m. from the investing public last month although withdrawals rose to £684m. Net receipts of £160m. compare with £183m. the previous month and are less than half the figure achieved earlier in the year.

The societies lent home buyers £534m. during September, which compares quite favourably with the August figure of £555m.—the second highest level ever reached.

At the same time, societies promised to lend a further £539m. and by the end of last month were committed to advancing £1.31bn. to home buyers.

Mr. Norman Griggs, secretary general of the association, commented: "Although total net receipts held up quite well in September, the figure masks the fact that the inflow fell away sharply during the second half of the month, following the increase in minimum lending rate to 13 per cent. Since then, of course, MLR has risen further to 15 per cent."

It is understood that at least two-thirds of last month's receipts were accounted for by the top five or six societies and that some societies were at one stage experiencing a net outflow of funds.

In this situation, an increase in rates was inevitable, even before the latest sharp rise in Minimum Lending Rate.

The new interest rates payable to investors—grossing up to 12 per cent.—will not take effect until the beginning of next month, so October is not expected to show much improvement over last month, although in the past the mere announcement of higher rates has been sufficient to boost funds.

It is hoped by the end of the year, receipts will be back at about £200m. a month.

While it is beyond doubt that, despite their more recen[t difficulties] culties, the societies will the long-standing commitm[ent to] lend about £6bn. this year apparent objective at le[ast] equal the figure in 1977 coming increasingly doubt[ful.]

If general interest ra[tes] drop over the short-term— thing which the Gover[nment] expects to happen—the[n] societies may find they ar[e] to attract the volume of needed to finance anothe[r] sive lending programme.

Many society executiv[es be]lieve, however, that thei[r] rate structure—high as i[t is—] does not provide a sufficie[nt dif]ferential over competing ments for them to repea[t] year's level of mo[rtgage] advances.

Even if other rates fal[l] say, there is little likelih[ood of] them being able to take volumes of money attracte[d dur]ing 1975 so that a more r[e] lending programme of to £5bn. looks likely.

If demand for home loa[ns keeps] up at its present rate, it become increasingly diffi[cult to] obtain a mortgage during

Many of these measure[s] letter states, have receive[d] verbal support of the Chan[cellor] and Prime Minister in the

"But we no longer take fort from your words wh[en] actions of your Gover[nment] regularly conduce to o[p] results," declare the a[ssociation.] They warn of increasingly criticism from chambers o[f com]merce if action is not tak[en.]

The letter, which presages a tough public li[ne by] the association, which ha[s been] overshadowed recently by organisations such as the is broadly in line with the own major document, the to Recovery," which is due published next week.

BUILDING SOCIETY FIG[URES]

1976	net receipts £m.
January	312
February	354
March	376
April	331
May	225
June	131
July	184
August	183
September	160

Ford expands Fiesta production plans to aim at higher exports

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD'S PRODUCTION plans for its new Mini-type small car, the Fiesta, have been radically expanded in the last few weeks to make way for many more to be exported than originally envisaged.

The new policy, not yet formally announced, will clearly help the U.K. company to counter criticism of the import content in the car, calculated at about 50 per cent. of the total value of the finished product.

It has been recognised for some time that the Fiesta would take Ford into a new league as a component importer. This is the first time that the company's policy of integrating its European plants has led to a situation where a Ford U.K. plant is acting so largely as an assembler of parts made overseas.

But Ford has insisted all along that the company will have a positive trade balance overall on the Fiesta programme because it is also exporting a large number of components to the other assembly sites, at Saarlouis, in Germany, and Valencia in Spain.

The decision to boost Fiesta production in Britain next year from about 70,000 units to well over 100,000 (one senior Ford executive has indicated that it could go as high as 150,000) will give an added bonus to the U.K. company.

The expansion has been prompted mainly by the desire to export more built-up vehicles. About 40 per cent. of output is now being earmarked for overseas markets, mostly in Europe, which means that export production could amount to between 50,000 and 60,000 units.

The U.K. company has been fighting strongly to push the Ford's British product back into Continental markets. In recent years sales in most Continental countries have gone to the German company because of dissatisfaction with British supply and quality. Ford U.K. has already stepped up sales of Halewood-built Escorts in Europe this year.

With the addition of Fiesta sales abroad—which will clearly depend on the success of the new model—Ford stands to improve its export record even more next year.

This year it broke all its records in the first six months, with revenue jumping from £219m to £308m. Although the company will not disclose its import bill, it insists that the balance is highly favourable to Britain.

Bank at Co-op plans extended

THE Co-operative Bank is expanding the planned development of banking facilities within its stores in response to public reaction to its new "Handybank" scheme.

Previous plans to develop 500 of the "in-store" banking points have been extended and it is now expected that 750 will be in operation by the end of next year.

The plans form part of the Co-op Bank's development policy, which puts more emphasis on taking advantage of its existing links with the public through the Co-op stores.

Coalite will not reopen Bolsover plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

COALITE and Chemical Products has decided not to re-open its 2:4/5 trichlorophenol plant at Bolsover in Derbyshire. The plant was closed down in July after the accident at Seveso in Italy involving manufacture of the same material.

The company put a large part of the blame for the decision on what it terms over-sensational reports and comment on the Seveso accident. It said yesterday an important contribution to the economy of the U.K. was being lost.

Mr. Charles Needham, managing director of Coalite, said the plant had been earning foreign currency for Britain at the rate of about £1m. a year. Coalite customers in the U.K. were also exporting their products. Trichlorophenal needed in the U.K. would have to be imported from other producers in the U.S. and elsewhere.

"It seems a tragedy that we continue to punish ourselves in this way in this country. We need investment in industry and we need jobs. Here we have a perfectly good operating unit with risks no greater than in many other industrial processes but it will now stand idle. It means a loss of jobs, wasted capital investment a loss of exports and an increase in imports."

Mr. Needham said the unit, which employs 15 people out of a labour force at Bolsover of about 1,000, had not been operating profitably. The plant was rebuilt to a new design following an accident in 1968. It had not repaid the capital invested in it and made a small loss last year.

Plea for better job scheme

THE GOVERNMENT should replace the Job Creation programme when it expires next September with a scheme to provide more real and lasting jobs, Mr. William Roe, assistant director of the Scottish Council of Social Service, told a conference in Glasgow yesterday.

He said the Manpower Services Commission, which runs the scheme, was deluding itself into thinking hat the programme had achieved more than was the case.

The programme had created 13,000 jobs in Scotland — but many of these lasted only a short time and because of the restrictions on the programme none had been in the mainstream of economic activity.

Freeson refuses to aid builders

LEADERS OF the building industry were told yesterday that the Government could offer little help in their efforts to cushion the effect of the current recession.

Construction output this year is expected to be down 2 per cent. on 1975, when work levels fell by 6 per cent., and further falls in output are expected in the next two years, with no significant upturn in construction work before 1979 at the earliest.

The Building and Civil Engineering Industries' National Consultative Council saw Mr. Reg Freeson, Minister for Housing and Construction, yesterday to emphasise the severity of the problems facing them and press for Government assistance.

Mr Freeson sympathised with the industry's plight—underlined this week in a report from the Building and Civil Engineering Economic Development Committee—but left the delegation in no doubt that any question of direct financial assistance through increased public expenditure had been completely ruled out.

Extra tax on drivers proposed for NHS

AN ANNUAL charge on all motor vehicles should be used to recover the £40m. road accidents cost the National Health Service each year, according to an outline scheme circulated yesterday by Mr. David Ennals, Social Services Secretary.

The idea was first suggested in the summer. Now Mr. Ennals proposes that in the financial year beginning next April, about £20m hould be raised. In succeeding years the whole amount should be recovered.

In a full year, that is estimated to mean an extra £3 for each motor insurance policy.

Mr. Ennals' outline scheme proposes that the charge will be a flat rate for all motor vehicles — irrespective of their type.

The cash would be collected, under the proposals, by insurance companies and other bodies, like local authorities, the police, passenger transport executives and special depositors who are not required to insure against third party risks, but who will have to pay the proposed new charges.

The British Insurance Association, which represents most motor insurance companies, said last night that it was against the principle that they should act as "tax collectors for the Government."

Motoring organisations, the insurance companies and other interested bodies are to take part in a Government working group to consider the question of estimating the cost to the NHS of treating accident cases. At present the state recoups only about £1.5m. towards these costs.

The AA last night attacked the scheme as "nothing short of wanton discrimination against one section of the community."

"Insurance companies are being asked to act as tax collectors for the Government," he said "and failure or refusal by an owner or driver to pay the new tax will render the certificate of insurance invalid.

"This plan would mean that motorists are being taxed again to pay for National Health Service benefits to which the whole community is already entitled," the spokesman added.

A spokesman for the RAC said: "We intend to resist this proposal as vigorously as possible, and urge all vehicle owners to express objections to their MPs.

"Such a decision by the Government is irreconcilable with its declaration in the recent Transport Policy Consultative Document that 'the Government fully acknowledge the importance of motoring as a main form of passenger travel and would not lightly contemplate proposals which would lead, over time, to increases in its costs.'

Higher output 'would keep plant open'

BY RHYS DAVID, TEXTILES CORRESPONDENT

COURTAULDS has told the 600 workers at its Furzebrook warp knitting plant at Aintree, Liverpool that higher output and changes in the present product mix will have to be introduced if the factory is to remain open.

The company has promised in talks with the union representing the workforce—the Transport and General Workers'—to approach the Government for assistance under the Temporary Employment Subsidy scheme.

Courtaulds has said, however, that to justify such an application, productivity will have to improve.

Depression in the market for warp-knit textiles is blamed for the difficulties at the plant which manufactures linings, sheetings, and a variety of other products.

Courtaulds stressed yesterday that products made at the Aintree factory would continue to be available from other warp-knitting units in the group, but the company is declining to say what new products are likely to be introduced.

The changes will involve the introduction of a simpler p[roduct] range, enabling production [costs] to be cut.

The application for s[ubsidy] follows a similar mov[e by] Courtaulds in the case [of its] Skelmersdale weaving pl[ant in] May where a total of 1,100 [people] are employed.

Management at the A[intree] plant met union represent[atives] yesterday to discuss the pr[oposed] product changes and the [com]pany's call for improved [pro]ductivity. It was agreed t[o hold] further talks to clear u[p] misunderstandings.

Warp-knit fabric product[ion in] Britain fell back substanti[ally in] the second quarter after [an in]crease in the first three m[onths] of the year.

Total production cam[e to] 6.91m. kg. against 8.04m. [in] January-March. In the [same] quarter of last year, prod[uction] stood at 6.59m. kg.

● Allied Textile, the Yor[kshire] wool textile group, is closi[ng its] remaining operations at th[e] Mill premises of Fred L[...] (Sudehill) with the loss [of] jobs.

Health Department lists new industrial diseases

BY DAVID FISHLOCK, SCIENCE EDITOR

TWO OF the diseases arising from exposure to vinyl chloride monomer, the chemical from which PVC is made, have been designated as industrial diseases by the Department of Health.

Announcing this in a parliamentary reply yesterday, Mr. David Ennals, Social Services Secretary, said that on the advice of the Industrial Injuries Advisory Council the Government accepted angiesarcoma of the liver and osteolysis of the tips of the fingers as industrial diseases arising from exposure to VCM.

Under regulations soon to be put before Parliament anyone who contracts either disease in his employment will be a[ble to] claim benefits under the [Social] Security Act.

Confirmation of an assoc[iation] between these diseases [and] exposure to VCM gas has [...] exercised Britain's Healt[h and] Safety Executive over the two years. But it has now established that the chan[ces of] contracting the two dise[ases] despite factory standards were more lax in the pas[t are] very small.

Only 32 cases of angiosa[rcoma] ascribed to VCM have [been] tracked down world-wid[e, of] which two were in B[ritain.] Another five cases of ost[eolysis] are known in Britain.

BANK RETURN

BANKING DEPARTMENT

LIABILITIES

ASSETS

ISSUE DEPARTMENT

LIABILITIES

BALANCE OF TRADE

		Exports £m. seasonally adjusted	Imports £m. seasonally adjusted	Exports Volume seasonally adjusted 1970=100	Imports Volume seasonally adjusted 1970=100	Terms of trade *Unadjusted 1970=100	Oil b[alance]
1974							
	1st	3,431	4,778	126.7	133.9	75.5	–
	2nd	5,992	7,032	137.1	137.1	79.8	–
	3rd	4,772	5,475	133.4	136.4	74.9	–
	4th	4,105	5,533	126.5	133.0	75.9	–
1975							
	1st	4,532	5,382	128.9	125.4	76.9	–
	2nd	4,479	5,160	122.6	122.2	80.2	–
	3rd	4,635	5,621	120.0	127.4	81.8	–
	4th	5,126	5,809	128.3	127.2	80.7	–
1976							
	1st	5,420	5,892	131.6	124.0	81.1	–
	2nd	5,992	7,032	137.1	137.1	79.8	–
	3rd	6,134	7,319	132.8	137.3	80.3	–1
	April	1,922	2,237	134.8	134.0	80.0	–
	May	2,009	2,383	138.2	139.7	79.5	–
	June	2,961	2,412	138.4	137.7	79.8	–
	July	1,955	2,482	129.8	140.0	79.5	–
	August	2,039	2,332	131.1	131.4	80.8	–
	Sept.	2,140	2,505	136.6	140.4	80.6	–

* The ratio of export prices to import prices.

IMPORT VOLUME rose 7 per cent. last month, more than offsetting a recovery in the volume of exports from the low levels of mid-summer.

In the third quarter as a whole, import volume showed little change from the previous three months while export volume fell 3 per cent. This accounts for the worsening visible trade deficit since the terms of trade—the ratio of export prices to import prices—have again shown little change. Indeed the terms improved fr[ac]tionally in the last three mont[hs] since exporters continued [to] keep up their foreign curren[cy] prices.

The oil deficit rose in the thi[rd] quarter with both exports a[nd] imports well up.

ITT comp[...]
Standard T[...]
20-page p[...]

"How can ITT justify spending £31 million on imports?"

There's only one way to justify a big import bill.

An even bigger export total.

Which is exactly what ITT companies in Britain were able to deliver in 1974, when the recent economic recession was beginning to bite.

Selling products as diverse as under-sea telephone systems and cosmetics, ITT exports totalled £57 million to set against the £31 million import bill.

In 1975, as business conditions became even tougher, ITT's figures were somewhat different from the previous year's.

Exports up to £68 million.

Imports down to £25 million.

Which is one trade gap ITT will be happy to see grow wider every year.

ITT companies in Britain include: Abbey Life Assurance, Ashe Laboratories, Excess Insurance, ITT Consumer Products, Rimmel, Sheraton, Standard Telephones and Cables and Standard Telecommunication Laboratories. For further information, including the latest edition of a 20-page publication "Facts about ITT in Europe," please write to 190 Strand, London WC2R 1DU.

ITT

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ENGLISH NATIONAL OPERA. Tonight and Thur. 7.30 Don Giovanni; Tomor. 7.30 Rigoletto; Tue 7.30 Dalibor; Wed 7.30 Cavalleria Rusticana and Pagliacci.

COVENT GARDEN 240 1066 (Gardencharge credit card booking 836 6903). THE ROYAL OPERA. Oct. 21 at 7.30 Macbeth. THE ROYAL BALLET. Tonight, Tomor. and Mon. and Oct. 19, 20, 22 at 7.30: Anastasia. Ton't Tomor. and Mon. with Seymour, Mason. 65 Amph. seats for all perfs. on sale from 10am on day of perf.

SADLER'S WELLS TH. Rosebery Ave EC1 837 1672. Evs 7.30. Mat Sats 2.30. THE SADLER'S WELLS ROYAL BALLET. Ton't, tomor and Mon Coppelia. Tue Wed and Thu Gresse Fuge, Rashomon, Lulu.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0. Sats. 4.0. IRENE. "LONDON'S BEST NIGHT OUT. SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People. IRENE. "SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express. IRENE. NOW BOOKING TO MARCH 1977. CREDIT CARDS ACCEPTED.

ALBERY. 836 3878. Evenings at 8.0. Mats Thurs. 3. Sats 5 and 8. 3 sharp. National Theatre production. MICHAEL JAYSTON. EQUUS by PETER SHAFFER. Directed by John Dexter. "STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf 836 5332. ROYAL SHAKESPEARE COMPANY in Bernard Shaw's THE DEVIL'S DISCIPLE. "This triumphant revival is played by a flawless cast." Daily Express. (Tonight 7.30. Sat. 2.30 and 7.30) In repertoire with Arbuzov's OLD WORLD and Chekhov's IVANOV.

AMBASSADORS. 836 1171. Red Price Prev. Tues 8. Opens Wed next at 7. Subs. 8. Tues. 2.30. Sats 5.30, 8.30. NIGEL PATRICK, PHYLLIS CALVERT, ISABEL DEAN, JENNIFER HILARY in Denis Cannan's new play DEAR DADDY. Dinner and Top Price Seat £6.50 incl.

ELLE et LUI. 01-437 2661. Walker's Court, Brewer Street, W1 (next to Raymond Revuebar). PAUL RAYMOND presents PENETRATION. An Erotic Adventure in French Pornography. An explicit Multi-Sexual Fantasy. Opens Monday (Previews tnt., tomor.). Nightly 8.15 and 10.15.

FORTUNE. 836 2238. Mon.-Fri. 8. Sat. 5 and 8. Thurs. 3. Avril ANGERS, Ewan ROBERTS in AGATHA CHRISTIE'S MURDER AT THE VICARAGE. 2nd GREAT YEAR.

GARRICK THEATRE. 01-836 4601. Evenings 8.00. Fri., Sat. 6.00 and 8.40. RICHARD BECKINSALE is "Side-splittingly funny." Daily Mail. in FUNNY PECULIAR. "Mike Stott's exceptionally fine vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

GLOBE. 01-437 1592. Evenings 8.15. Mat. Wed. 3.00. Sat. 6.00 and 8.40. PETER BARKWORTH, PETER JEFFREY and PENELOPE KEITH. "The funniest woman in the West End." Guardian. DONKEY'S YEARS. "MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. Crooms Hill S.E.10. 858 7755. Evenings 7.30. Mat. Sat. 2.30. SCRIBES by Barrie Keeffe. "It gets Greenwich's new season off to a good confident start." Guardian.

HAYMARKET. 930 9832. Evenings 7.45. Mat. Wed. 2.30. Sat. 5.0 and 8.15. "A PLEASURE TO WATCH." D. Tel. Googie WITHERS, Susan HAMPSHIRE, John McCALLUM, Clive FRANCIS, Martin JARVIS and Bill FRASER in The Chichester Festival Theatre's Production of Somerset Maugham's THE CIRCLE. "Steamed majestically into The Haymarket—a most welcome revival." Times. "I was delighted with this production at Chichester—I am now completely enraptured." Evening News.

HER MAJESTY'S. 930 6606. Evgs at 8.0. Fridays and Saturdays 5.45 and 8.30. IPI TOMBI. "PULSATING MUSICAL." Evg. News. Seats £3 to 50p.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri. Sat. 7.30, 9.30. THE ROCKY HORROR SHOW. BEST MUSICAL OF THE YEAR. "Impossible to overpraise." Punch. NOW IN ITS 4th ROCKING YEAR.

[illegible]

HOME NEWS

Fuel-saving motor oil launched by BP

By Terry Dodsworth

A NEW petrol-saving motor oil claimed to reduce fuel consumption by almost 7 per cent. was launched by BP Oil yesterday.

Called VF7, the lubricant is claimed to be particularly effective in saving petrol on short journeys. It has been extensively tested by the Automobile Association in its service vehicles, which used the oil over 4,000 miles under normal operating conditions.

Petrol savings in these tests, made against alternative conventional oils, averaged 6.8 per cent., the lowest being 4.1 per cent. and the highest 9.25 per cent.

The principle behind the new oil, a particularly light blend of various base oils and additive combinations (it is registered as a SAE 10W-30 multigrade), is that it allows the working parts of the engine to move more freely. This in turn uses less energy and so saves petrol.

BP, which has about 10 per cent. of the U.K. motor oil market, will be launching VF7 through its own garage outlets only. The company would not say yesterday how much of the market it is hoping to capture with the new lubricant, but it is embarking on a heavy television advertising programme in the near future.

Mr. Geoffrey Sheppard, retail manager of BP Oil, said yesterday that the biggest benefits would be felt by motorists doing very small journeys, because the oil was particularly effective in operating at low temperatures.

Tests in motorway conditions, driving a new Rover 3500 and a 1972 Hillman Hunter 4,000 miles at a constant 70 mph gave savings of 2 per cent.

For a motorist averaging 25,000 miles a year, a quarter of which is on motorways, this could reduce petrol costs by £40 at to-day's prices.

For an average motorist doing 8,000 miles a year, with many short journeys when the engine started from cold, BP estimates that petrol bills would be cut by £17.40 at to-day's prices.

Since the new oil will cost 10p a litre more than the present product, and will also have a 2 per cent. higher leakage rate because it is lighter than conventional lubricants, the overall net saving would be about £16 a year.

Sterling air fares across N. Atlantic likely to rise soon

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

STERLING fares on the North Atlantic air route are likely to rise substantially from November 1, if inter-Governmental talks between the U.K., U.S. and Canada in Washington next week are successful.

The discussions will be held at the same time as wider negotiations between the U.K. and the U.S. aimed at setting up a new Anglo-U.S. bilateral air agreement to become effective next June.

Normally, such bilateral negotiations would not be encumbered with fares discussions, which are customarily left to the airlines to settle for themselves under the auspices of the International Air Transport Association.

Settle

But IATA has failed to achieve an acceptable agreement for North Atlantic rates this winter, and both the U.S. and U.K. Governments are dissatisfied with the individual tariffs filed by their respective flag airlines.

The Governments, therefore, are taking the opportunity of the bilateral negotiations, when full teams from both sides will be in Washington, to try to settle also the winter Atlantic fares problem in time for new rates to become effective on November 1.

Whatever new scale of fares is agreed, however, it seems certain that sterling fares will rise considerably to take account of the steady depreciation of sterling against the dollar in recent months.

This has meant that it is has become much cheaper for a passenger to fly from the U.K. to the U.S., buying his ticket in sterling, than to fly from the U.S. to the U.K., buying his ticket in dollars.

It has even become possible for a passenger to fly on Concorde to the U.S. at less than the cost of a first-class subsonic Jumbo flight from the U.S. to the U.K.

Normally, a complex system of IATA currency surcharges would have been introduced to correct this anomaly, but, because of the absence of any IATA fares agreement, the surcharges system currently does not apply.

One of the aims of the Washington talks will be to correct this situation, although at this stage it is not possible to say by how much sterling rates will have to rise.

The fares issue, however, is only one small part of the much wider objective at the talks—that of establishing a new Anglo-U.S. air agreement from next June, when the present pact expires.

A series of bilateral talks is planned over the next nine months or so, to be held alternately in London and Washington. Next week's meeting is a continuation of talks held in London in September.

Among topics likely to arise next week will be that of finding some kind of technique for regulating capacity (the number of seats) offered by the airlines on the North Atlantic.

Over-capacity has been one of the prime causes of the collective losses last year of some £300m. by all the IATA airlines on the route, and despite restrictions insisted upon by the U.K., it is feared that further losses will occur unless some way of regulating capacity is introduced.

So far, the U.S. has given no sign that it accepts the need for capacity-regulating machinery, and changing this attitude could be one of the U.K. team's toughest tasks in Washington.

Lease unsold Concordes, say BAC staffs

BY MICHAEL DONNE

GREATER EFFORTS by the Government and the airlines to promote the use of Concorde is urged by the Managerial Staffs Association, representing personnel in the commercial aircraft division of the British Aircraft Corporation at Bristol.

It suggests in a pamphlet, *The case for the Continuation of Concorde*, that the British and French governments should seek more Concorde routes, including the New York route, and encourage the two airlines to make more use of the aircraft.

The governments should approve a leasing scheme to enable unsold Concordes to be put into airline service, support suggestions for development of an Advanced Supersonic Transport, and initiate research into such an aircraft.

Protection Board paid £875,000 last year

By Eric Short

THE POLICYHOLDE[RS] Protection Board has p[aid] £875,000 in benefits to pol[icy] holders of life companies [in] difficulties by the end [of] September, its first annual rep[ort] out yesterday, reveals.

The Board was set up [in] November under the Pol[icy] holders Protection Act, [1975] which guarantees 90 per ce[nt.] protection of benefits to poli[cy] holders in failed life compan[ies]. Its report provides accou[nts] from November to March 1976, but also covers activities to September 30. [...]

These activities have rela[ted] to two insurance companies [in] provisional liquidation—Fide[lity] Life Assurance and Cap[ital] Annuities. In each case [the] Board was instrumental [in] setting-up interim paym[ent] schemes by providing the p[ro]visional liquidator with indem[ni]ties so that payments could [be] made in respect of contract[ual] benefits, at the rate of 70 [per] cent. of amounts due.

Levy

With Fidelity Life, some 4[...] policyholders are receiv[ing] regular payments. Those [...] totalled £875,000 by the end [of] September, the money being p[aid] from the assets of Fidelity its[elf]. The scheme for Capital Annuit[ies] has *only* just started and details of the amounts paid [are] given in the report.

The Board, however, imposed [a] levy on the long-term business [of] insurance companies, mainly l[ife] business, in August, of [...] on the premium income [...] from policies effected during th[e] year. This raised £1.6m. and [was] earmarked to finance [the] Capital Annuities scheme.

Estate agents urge controls

A CALL for the "urgent a[nd] simple control" of estate agen[ts] by the Government was mad[e] yesterday by the National Ass[o]ciation of Estate Agents.

The Association is asking MP[s] to support the establishment [of] an independent authority [to] oversee estate agents' activitie[s]. It points out that another Pri[vate] Member's Bill before th[e] Commons risks procedural fail[ure] and says that the consulta[tive] document issued last yea[r] by the Department of Pric[es] and Consumer Protection has s[o] far produced no Governmen[t] lead.

Mr. R. J. Stone, the Associa[tion's] president, said yesterda[y] that Government action wa[s] "necessary."

"The keynote of our proposal[s] is simplicity. Only a simpl[e] measure concentrating on th[e] essential elements of control ca[n] be reasonably expected to suc[ceed] in the present Parliament[ary] climate."

The Association says it want[s] to see the formation of an inde[pendent] body which could ex[clude] from practice agents wh[o] did not provide for compensatio[n] in the event of misappropriatio[n] of funds, who did not operat[e] properly conducted client accounts, or who had been con[victed] of offences involving frau[d] or dishonesty.

A document sent to MPs say[s] that it is inconceivable that Par[liament] would permit such a ga[p] in its consumer protection poli[cies] to remain unplugged an[d] the effective licensing of hous[e] agents should be introduced, though not on a voluntary basi[s], as this had been tried unsuccess[fully] before.

Ulster jobless 'could reach 15% by start of next year'

BY OUR BELFAST CORRESPONDENT

ULSTER'S unemployment could jump to 15 per cent. by the start of next year, unless the Government is prepared to act on recommendations from its team of top economic advisors in the Province, Mr. Brendan Harkin, president of the Irish Congress of Trade Unions, warned yesterday.

On the eve of the presentation of a lengthy economic review to the Northern Ireland Economic Council, Mr. Harkin, appealed for a greater flexibility in the Government's approach to the Ulster economy.

He welcomed the proposals in the report—details of which emerged this week—but he urged immediate discussion on implementing its recommendations.

With the present unemployment figure 11.4 per cent., trade union members of the economic council will press at the meeting for full implementation of the proposals in the report, prepared by Dr. George Quigley of the Northern Ireland Department of Commerce, and fellow-civil servants.

Mr. Sandy Scott, a senior shop steward at Harland and Wolff, said that even with the Government's acceptance of the report and immediate action on its recommendations, the prospect was that unemployment would remain at around 10 per cent.

The report itself held out no hope of a further reduction in the jobless figure, he added.

The unions fear that at a time of severely limited public expenditure, many of the proposals will go by the board. Mr Roy Mason, Ulster Secretary, in his preface to the report, has already spoken of "restricted financial resources."

"What is proposed is the minimum that can be done," Mr. Scott said: "I am hopeful of a favourable response from the Government. The Prime Minister, I know, recognises the relation between unemployment and violence in Ulster."

Some of the major recommendations in the Quigley Report are: The setting up of state manufacturing projects in high unemployment areas.

- A cut of 20 per cent. in electricity charges to industry and commerce, at a cost of £14m. a year.
- A new package of incentives to companies setting up in high unemployment areas, including tax exemptions and tax-free profits which would have to be re-invested in Ulster.
- A search to be made for jobs to replace those which will be lost at Harland and Wolff, either by diversification at the yard or the creation of jobs elsewhere.
- The construction of a petro-chemical plant to supply Ulster's man-made fibre industries.

Women's cigarette launched

BY STUART ALEXANDER

A NEW CIGARETTE aimed specifically at women smokers was launched yesterday by Philip Morris, the U.S. tobacco group, in a further move to establish itself in the U.K. market.

The company is best known for its Marlboro brand, which it claims is the largest selling cigarette in the world, and has promised an even bigger advertising campaign for its sister product. It is likely that the 1977 advertising budget will be in excess of £1.5m.

The new cigarette, Virginia Slims, is already on sale in the U.S., where it is also aimed at the women's market. The blend has been altered for the U.K. The cigarettes will be made at the company's Belgian plant.

At 97.4mm. they are longer than king size but will be slimmer than normal cigarettes. They will retail at a recommended 47p, although they may initially be available at a cut price because of dealer promotions.

The primary launch will be in London and the Home Counties only, but the brand will progressively be made available in the rest of the country.

The type and timing of the launch reflects the growing battle over the U.K. cigarette market in advance of the tax system changes on January 1, 1978. From then the tax on cigarettes will be based more on the price and total weight of the cigarette pack rather than on the weight of leaf used, which had been the method employed in the U.K.

This will tend to a far narrower price band, with pressure on the cheaper end of the market and king size cigarettes no longer a great deal more expensive than small ones.

In both the U.S. and Europe cigarettes are sold in either regular or king size, with often small price differentials and only very few extra long cigarettes. In the U.K. there are many different sizes, while nearly 80 per cent. of the cigarettes sold are coupon-carrying brands.

Philip Morris owns production plants in eight European countries, including one in the East End of London devoted exclusively to producing Marlboro. It is because the company has taken so long to establish its sales force and dealer network that the new product launch has been kept to the South-East, though that is also the area where Virginia Slims is expected to be most successful.

It means also that Philip Morris, having established just such a network, is unlikely to pull out of the U.K. market if Virginia Slims fails. The company handles about 150 brands of cigarettes in Europe and is expected to attack the U.K. vigorously.

The decision to aim a new cigarette specifically at women when a king size price war is raging follows over 2,000 interviews in which, Philip Morris claims, the product which women described as the one they wanted was seen to match almost exactly with Virginia Slims.

The initial launch will undoubtedly benefit from the fact that the name is already familiar from the tennis tournament the company sponsors. It is possible that this sporting connection will eventually be carried through to this country. Marlboro already has close links with sport in Europe, particularly yacht racing in the Mediterranean and motor racing.

There are other precedents for cigarettes for women, though none has been successful so far in Britain. But in the States there is also Eve, Holland has Belinda, Switzerland Muratti and Germany Kim. All are areas where Philip Morris is very active. The company points out that there are 8½m. women smokers in the U.K. The number of young women smokers is growing faster than any other sector.

Magazine advertisements, hoardings, tube cards and posters will announce "at last a cigarette we can call our own."

In the U.S., where the largest market share is held by R. J. Reynolds, a bevy of new brands has been seen in recent years as competition has intensified. The six main U.S. companies produced only 16 brands between them in the early 1950s. To-day, the country has over 170 brands available or on test.

These include low-tar and menthol versions, and Reynolds has been said to have fragmenting the market with a heavy reliance on the fashion element.

Flavour additives have been used as manufacturers tried to produce the cigarette with the lowest tar rating—a move which inevitably led to loss of flavour. This has not happened so far in the U.K., though the extra-mild products now available each deliver about 4mg. of tar.

In the U.K. additives come under the Medicines Act and will have to await the repor[t] of the Government-appointed Hunter Committee. This is looking at additives and the use of substitute smoking material such as Cytrel, produced by the Celanese Corporation in the U.S. or New Smoking Material developed by ICI and Imperial Tobacco in Scotland.

Imperial is anxious to see the introduction of the new material, not least because it has a heavy investment in the project. But there is a possibility that even if the Hunter Committee gives the green light before the end of this year the introduction will be held up for a further year.

This is because the addition of the new material, although taxed in the same way as tobacco, would have to be supervised by the Customs and Excise, which could be reluctant to take on an upheaval in methods for the relatively short time before the revised tax system comes into force.

Nor has the new material been entirely successful on its first outings in Germany and Switzerland. Cigarettes using substitutes marketed there have failed to sell well. That has caused a shiver of worry among the manufacturers.

Philip Morris for one is against the use of substitutes, saying that it intends to continue with a pure product and that it believes smokers buy cigarettes for a kick which synthetics just cannot deliver. But it is sure that, if it saw the market taking off, it would not be far behind with a competing product.

THE RICHARD DIMBLEBY MEMORIAL LECTURE: LORD HAILSHAM URGES A CONSTITUTIONAL OVERHAUL

Britain 'has moved towards totalitarianism'

BY IAN HARGREAVES

WRITTEN constitution setting limits on Parliamentary power is needed to halt Britain's slide towards totalitarianism, Lord Hailsham said last night. The former Conservative Lord Chancellor chose his presentation of the Richard Dimbleby memorial lecture on BBC television as the vehicle for a sweeping assault on what he called our worn-out and leaky mansion of government. He then outlined his own architect's impression of a new and improved palace of administration.

Lord Hailsham's starting point was an analysis of his lecture's title, "the elective dictatorship." Such analysis was appropriate because, he said, the time had come when the nation "supposedly dedicated to freedom under law, has moved towards totalitarianism which can only be altered by a systematic and radical overhaul of our constitution."

Eroded

Our Parliament was unique in that it had absolute and unlimited power, even to deprive a man of life without trial. This degree of power may have been acceptable when other checks and balances were fully efficient, but the point had come when "the absence of any legal limitation on the powers of Parliament has become quite unacceptable."

The courts had, in the last analysis, only a power to interpret Acts of Parliament. Checks and balances built in to the Parliamentary structure had been eroded.

Over a period of years the scale and range of government had been greatly enlarged. Within government itself there had been a shift of relative influence between the different sections "so as to place all the effective powers in the hands of one of them."

In effect, Britain had a single-chamber Parliament. Within that chamber backbenchers were no longer able to satisfactorily influence the government machine "so that the government controls Parliament and not Parliament the government."

This advancement of executive power had taken place when the volume of legislation and the size of the annual budget had multiplied many times this century.

Traditional checks to executive power, the House of Lords and the Commons itself, had become emasculated. The Lords was less effective than the American Senate and "arguably less persuasive than a powerful leading article in The Times."

In the Commons the Opposition was powerless in the face of the ruling party caucus. Backbenchers on the government side were, if they showed promise, rapidly absorbed into the administration, with resultant loss of any power of action. Members of the administration itself, numbering almost 130, comprised "one of the largest and most disciplined single groups in the House."

Lord Hailsham: elective dictatorship.

Ministers, with the benefit of the Civil Service brief, were in a position to win virtually every argument because part-time private members, unable to live on their parliamentary salaries, had insufficient time for research.

"So, the sovereignty of Parliament has increasingly become, in practice, the sovereignty of the Commons, and the sovereignty of the Commons has increasingly become the sovereignty of the government which, in addition to its influences in Parliament, controls the party whips, the party machine and the Civil Service."

The Prime Minister, with the power to dissolve Parliament, had the unique ability to engineer economic factors to give himself a flying start in any election. Since 1946 six out of nine general elections had been won by the governing party.

In examining solutions to the problems he had described Lord Hailsham considered the remedies of devolution, electoral reform and reform of the House of Lords. All of these notions had something to offer, but none was sufficient in itself.

"I envisage nothing less than a written constitution for the United Kingdom. By that I mean one which limits the powers of Parliament and provides a means of enforcing these limitations both by political and by legal means."

Such a constitution would ideally provide for two chambers at Westminster. The Commons would, as now, determine the political colour of the executive government and control finance. It would be elected by single member constituencies. The second chamber would be a senate-style body representing whole regions. Its members would be chosen by proportional representation.

There would be a bill of rights, containing at a minimum those liberties enshrined in the European convention, to which the U.K. is already a party.

This new form of government could be brought about in three stages. First an act should summon a constitutional convention of the kind held before granting independence to a Commonwealth country. Following discussion by this body, there would be a traditional Parliamentary bill and following that a referendum.

Opt out

In this referendum, separatists should be given the chance to opt out in spite of the "risk of disaster" involved in presenting the option.

Once in force, the constitution would be alterable only by special act of Parliament backed up by another referendum. The Crown would continue to fulfil its presidential-type function.

"I would not have made these suggestions if, at the end of a long life, I had not seen unmistakeable marks of disruption and dissolution. My object is continuity and evolution, not change for its own sake.

MLR rise leads to David Charles group appointing receivers

BY TERRY WILKINSON

DAVID CHARLES, the Birmingham-based property, construction, house building and engineering group, has become the first victim in the property world of last week's 2 per cent. jump in Minimum Lending Rate to a record 15 per cent.

It was announced yesterday, following suspension of the company's shares on the Stock Exchange, that receivers have been appointed to 16 group subsidiaries, the group's principal banker, Barclays, having refused to extend further financial support.

Less than a month ago Mr. Robin Buckingham, the David Charles chairman, wrote to shareholders that a "disastrous snowball sequence" of events would lead to losses for the financial year ended June 30.

Poor lettings of commercial and industrial property had enforced rapid reduction of the group's housebuilding programme, explained Mr. Buckingham. This had been further reduced by the consequent squeeze on profitability and cash flow, and provision would be necessary against unprofitable developments.

When David Charles made a £2m. rights issue to shareholders last October at 10p a share it had borrowings of £23m. compared with shareholders' funds of £6.8m. At yesterday's suspension price of 4p the entire group was capitalised at £798,000.

At the time of his letter to shareholders Mr. Buckingham thought the position was improving with the help of increased bankers' support. In his statement yesterday he said that "in the intervening period the economic strategy of the Government has suffered another major setback and interest rates have risen to unprecented levels.

"In this new situation creditors have now felt it necessary to reduce significantly the periods of credit which they were previously prepared to grant to the company. Despite the most energetic action by the company to maintain and even improve its liquidity, its principal bankers have now stated that they do not feel able to increase their support further."

Receivers have been appointed to 16 subsidiary companies covering the group's construction, plant-hire and engineering activities. At the same time, David Charles has arranged discussions with the mortgagees of the property development and housebuilding companies.

Builders see Minister, Page 8

Don't stop saving water, says Howell

BY STUART ALEXANDER

FEARS THAT the public may give up trying to save water following the recent heavy rain and criticism of the Government's handling of the drought were expressed yesterday by Mr. Denis Howell, Minister in charge of co-ordinating water resources.

The National Water Council is due to-day to present to Mr. Howell a report on work already being undertaken or planned for the winter to cope with any recurrence of the shortage next spring and summer. The Minister is expected soon to hand back to the ten regional water authorities the responsibility for handling their own water-saving publicity campaigns.

This would help to iron out anomalies which arose during the national water-saving campaign and allow more flexibility to deal with regional variations.

Threat

It was the blanket message to the whole country of a water crisis that has led to criticism of Mr. Howell, who accepts that the Government should have acted sooner and that in some cases the warnings were over-dramatic. However, he also points to the dramatic turnround since the Drought Act was brought in on August 6. In the following eight weeks rainfall has been very much higher than average, with this September the wettest for nearly 50 years.

He reiterated yesterday that the Commons would never have countenanced the harsh powers of the Drought Act "until the stark situation was staring them in the face." And he added that the threat to supplies next summer was not yet removed. If the possibility of a cold dry winter were to become a reality then the ground water stocks, which had been heavily drawn on during the summer, could be at a lower level than at the beginning of the summer this year.

Mr. Howell said that his department had acted in good faith on the information provided by the Meteorological Office. This was confirmed yesterday by Dr. B. J. Mason, director-general of the Met. Office at Bracknell.

Dr. Mason said that his department had worked very closely with the Department of the Environment and that all the statistics on rainfall had been issued in consultation with his office. While it was not his responsibility to comment on their interpretation as far as soil moisture deficit or reservoir levels were concerned he was not aware of any friction at all.

"Any critic of the Met. Office had better stand up and be counted and I shall deal with him," he said.

Mr. Howell is expected to concentrate in the future on long-term plans for setting-up a National Water Authority and concentrating on schemes which give greater mobility of water resources within a region.

Once that is established the relatively short links needed to join up the regions will also be brought into play. Experts in the Department of the Environment have rejected as too costly and unnecessary the long-standing idea of a new canal system running the length of England. However, research is to be carried out into the possible use of existing canals with the addition of some new links.

Farmers would continue to be encouraged to build their own storage and reservoir facilities following the announcement of an increase in the grant from 20 to 40 per cent. But while the tax concessions available to industry for the installation of bore-holes or recycling plant would continue Mr. Howell considered that it would be financially impracticable to embark on a programme to help industry provide its own water supply.

Problem

At the same time, he again emphasised his previous commitment to the Confederation of British Industry that industry would receive top priority to see that full production could be maintained.

A statement to the Commons on the recommendations put forward by the National Water Council is expected within two or three weeks. The Government is satisfied that the immediate problem is beaten and that phase two of its strategy, the winter building programme, is already under control, leaving it free to consider long-term planning.

● The Wessex Water Authority yesterday lifted from next Sunday its ban on the use of hosepipes and sprinklers. Chief executive Mr. Kenneth Roberts praised industrial and domestic consumers for saving 2bn. gallons during the five months of the drought.

Telefusion 6% rise on colour rentals

TELEFUSION is to raise its rental charges on colour sets by up to 6 per cent.—an average increase of 10p a week. Rentals of black-and-white sets will be unchanged.

It is the second big television rental group to raise its prices since the recent Price Commission report, which criticised the level of profits within the industry while admitting that there had been no breaches of the Price Code.

Telefusion said yesterday that the increase had been agreed after consultation with the Price Commission.

Mr. John Wilkinson, the company's chairman, said there had been no increase in the group's rental prices since January last year. As a result, its charges were well below the average in the industry.

Thorn

British Relay announced earlier this week that it was putting up rentals on black and white sets by 5 per cent. and on colour sets by more than 7 per cent.

Thorn, which takes in Radio Rentals, DER and Multibroadcast, raised its charges by just over 7 per cent. in February, but a spokesman for the group said to-day there were no plans for further increase in the next 12 months for existing customers.

Aberdeen exhibition talks

BY RAY PERMAN, SCOTTISH CORRESPONDENT

GRAMPIAN Regional Council yesterday agreed to begin negotiations with a consortium led by International Designers and Constructors, of London, to build an exhibition centre at the Bridge of Don Showground, Aberdeen.

The first phase of the development would cost £8m. and include a 240,000 square feet exhibition centre, a trade centre, conference hall, hotel, bus station and car park. Later phases might provide a helicopter landing pad, stadium, offices and an ice rink.

The annual Offshore Europe Exhibition of Oil Industry Technology is among the events held on the showground, which has no permanent buildings. It extends to 48 acres and the council owns another 92 acres, which could be used for further development later. Mr. A. F. Mutch, convener of the council, said that the authority would have no capital commitment to the project. All the cost would have to be raised by the consortium.

LABOUR NEWS

Lorry drivers stiffen policy on 'spy in cab'

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEADERS of Britain's lorry drivers voted yesterday to take a more military line on the fitting of tachographs—the recording instrument dubbed by the unions as "the spy in the cab."

In an important shift in policy, the national road transport committee of the Transport and General Workers' Union expressed total opposition to the fitting of tachographs. Hitherto the union has agreed to members driving vehicles fitted with the instrument provided it was not operating.

Drivers in Birmingham have already warned employers that from next Monday they will refuse to take out lorries fitted with tachographs.

Whether othe regions will follow this lead is not yet clear, but the TGWU national committee is seeking a meeting about the issue with Mr. William Rodgers, Transport Minister. The delegation will seek assurances from Mr. Rodgers that drivers will not be forced into operating the tachograph.

Hostility has been mounting towards the instrument which, to comply with Common Market regulations, was compulsory on all new lorries over 3.5 tons from January 1 this year.

Mr. Alan Law, who as a TGWU Midlands Trade Group secretary represents the 4,500 Birmingham drivers, said last night that haulage companies had responded to the union's demand for tachographs, which embody speedoveters, to be replaced by speedometers.

Only two of the 400 or so employers approched had so far sai dthey would not co-operate, and he did not expect any trouble. One of the companies was being granted three or four weeks' grace to seek replacement speedometers from Sweden. The other was BRS, a member of the State-owned National Freight Corporation.

"Everybody has been dragging their feet over the tachograph. The lorry drivers are keen for action so we have decided to give a lead," he said.

Mr. Law was confident that a branch meeting arranged for Sunday would resolve to extend sanctions further. Companies would be given notice that from January 1 next year the Birmingham drivers would refuse to admit to their depots any vehicles fitted with tachographs.

Shop steward sent to university

BY OUR LABOUR STAFF

A 56-YEAR-OLD shop steward of the Transport and General Workers' Union has begun a one-year course on industrial relations at Southampton University under a scheme announced yesterday by the union and the man's employers, GKN Mills Building Services.

He is Mr. Pat Lyons, a scaffolder at the Esso oil refinery at Fawley, Southampton, who left school at 14. The course is sponsored by GKN Mills, which is also paying Mr. Lyon's wages while he is away.

TUC will press for prices action

BY CHRISTIAN TYLER, LABOUR STAFF

TUC LEADERS will go all out for Government action to stem rising prices, which they see as one of the main threats to their voluntary wage restraint now that the inflation target has been missed.

This was spelt out yesterday by Mr. Jack Jones, general secretary of the Transport and General Workers Union, after a meeting of the union's finance and general purposes committee. He was discussing the meeting between the TUC economic committee and the Prime Minister due to take place in the next few weeks.

His union was very concerned about pressure from Britain's EEC partners for devaluation of the "green pound" because of the effect this would have on domestic food prices.

Although the union would be taking a tough line the social contract would not be sacrificed. "We stand by the Government through thick and thin."

The unions would be looking for a tight rein to be kept on the price code and the possibility of freezing some prices.

"It's in the prices area that a lot more can be done to avoid pressures on the policy—because it's the housewife who influences the movement in terms of wages and the cost of living. If her mood changes it can create difficulties for the trade union movement."

Mr. Jones said the rate of investment in industry was on the turn, but the turn had to be made still sharper. He spoke again of the need to raise capital for investment, compulsorily if necessary.

It would be a disservice to everybody if the Government "gave in" and called a general election.

Work-in over at K Shoes

A PROTEST by 60 white-collar workers at two K Shoe factories in Norwich ended yesterday. The workers had occupied the factories for ten days in protest against plans to close one of them by Christmas with the loss of 350 jobs.

Service for Vic Feather

By Our Labour Staff

POLITICIANS, UNION leaders, diplomats, and many trade unionists filled St. Martin-in-he-Fields, London, yeserday for a thanksgiving-servlee for Lord Feather, former general secretary of the TUC.

The congregation included three predecessors as TUC general secretary — Lord Citrine, Sir Vincent Tewson, and Mr. George Woodcock. Also present were Mr. Edward Heath and Lord Carr, with whom Lord Feather clashed over the 1971 Industrial Relations Act.

Mr. James Callaghan, Prime Minister, read from The Pilgrim's Progress and music at the service was provided by the Grimethorpe Colliery Band.

Mr. Len Murray, the present TUC general secretary, said Lord Feather was a man whose "energy appeared unlimited and he could inject into the most desperate situation a comment so full of common sense or humour that it would often ease the way to a solution, to the settlement he was always looking for."

End politics curb on civil servants say unions

BY DAVID CHURCHILL, LABOUR STAFF

RESTRICTIONS on civil servants taking part in political activities should be completely lifted, the major Civil Service unions argue in evidence submitted to the Armitage Committee yesterday.

The unions propose that civil servants who want to engage in either local or national politics should only have to give their Department one month's notice of their intention.

If the Department objects, then the civil servant could seek independent adjudication based on whether or not it would harm the "public interest."

At present, most civil servants above junior and clerical grades are denied the right to be involved in any political activity. Even among the clerical grades, those who come into contact with the public during their work are often not allowed exemption from the restrictions.

Mr. Bill Kendall, secretary-general of the National Whitley Council Staff Side, said yesterday that civil servants "should not be denied basic democratic rights."

The political and social situation in the U.K. had changed radically since the present restrictions were imposed some 25 years ago.

Now people were demanding a greater degree of participation in both politics and at work, and this was reflected among civil servants.

In their evidence, the unions deny that greater political freedom for civil servants would lead to a loss of confidence among the public in the impartiality of the Government machine.

They argue that, under existing procedures, some civil servants are allowed to stand for local council elections under the auspices of recognised political parties.

"How absurd it is to refuse to permit that same individual to canvass for his party at a General Election," they point out.

In response to the charge that greater political freedom would be abused by some civil servants, the unions argue that it would be dealt with under existing—or yet to be devised — disciplinary procedures.

But such cases would be an exception and should not deter the committee from recommending the extension of political freedom.

The Armitage Committee, set up last August after failure of the unions and management in the Civil Service to agree on the relaxation of restrictions, is expected to complete its report by the end of the year.

Workers accept Leyland truck plant plans

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

BRITISH LEYLAND'S plans for reorganising the truck and bus group progressed yesterday when workers in the Albion truck plant in Glasgow accepted reorganisation proposals to use the factory for component production.

The works, one of the oldest in the group, will become the major supplier of gearboxes, rear axles, and suspension units for Leyland's light and medium-weight commercial vehicles.

Under the proposals, which are designed to create an integrated commercial vehicle production group in Scotland, the nearby Bathgate factory will assemble the Albion range of trucks.

These have become increasingly similar in appearance to the Bathgate range in recent years, but Albion has always retained a reputation for particularly high quality vehicles in the medium weight ranges.

Leyland emphasised last night that the reorganisation would eventually create 2,000 new jobs at Albion. The plant employs 3,800 workers.

The reorganisation, expected to cost about £40m., had been approved in principle. Talks will soon take place with the workers concerning the transitional period.

The Bathgate plant is also undergoing an investment programme costing £15m. designed to increase output and expand engine production.

Differentials dispute at Cowley car plant

BY ALAN PIKE, LABOUR STAFF

A FRESH move in the attempt by Leyland Cars toolroom workers to improve their status and pay differentials came yesterday when toolmakers at Cowley demanded separate wage negotiations.

The 800 Cowley toolmakers have met management and requested pay talks independent of the plant's 14,000 other manual employees. Their demand has been rejected by the company.

Although separate negotiations could bring them no more money while the pay limit is in force, it would provide an effective springboard to push for the improvement of differentials when incomes policy allows.

Amalgamated Union of Engineering Workers' toolmakers throughout Leyland Cars have founded an unofficial committee to press for a special bargaining unit covering toolrooms.

They are angry at the decline in pay differentials with less skilled workers and at the disparity in earnings between one toolroom and another.

The committee plans to approach Lord Ryder, chairman of the National Enterprise Board, and try to convince him that their proposal would be in line with the Ryder Report's recommendation that there should be fewer bargaining units in British Leyland.

In Leyland's view, however, a reorganisation which created an exclusive company-wide toolroom unit would simply lea 'o similar claims from other groups and do nothing to achieve rationalisation of bargaining. A joint committee of the management and shop stewards is looking for ways to reduce bargaining units, but implementation of any proposals is impossible under the present pay policy.

Union 'back to work' call to school cleaners

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE 317 cleaners whose seven-week strike closed some Scottish schools were last night urged by their union to go back to work. At a meeting in Inverness, officials of the National Union of Public Employees recommended acceptance of a new offer from the Highland Regional Council on working hours.

As part of the council's spending cuts, cleaners' hours were to be trimmed by a third, cutting average earnings from £12 a week to £8. However, in negotiations this week the council agreed that the reduction required in working hours should be a fifth.

It was also agreed that the union would be consulted on any further cuts proposed for next financial year, and that the cleaners would get half-a-week's extra pay for getting schools back to normal.

The council gave the cleaners until tonight to accept the offer. More talks are to be held on the council's proposals to cut the working year for school cleaners from 52 weeks to 47 weeks.

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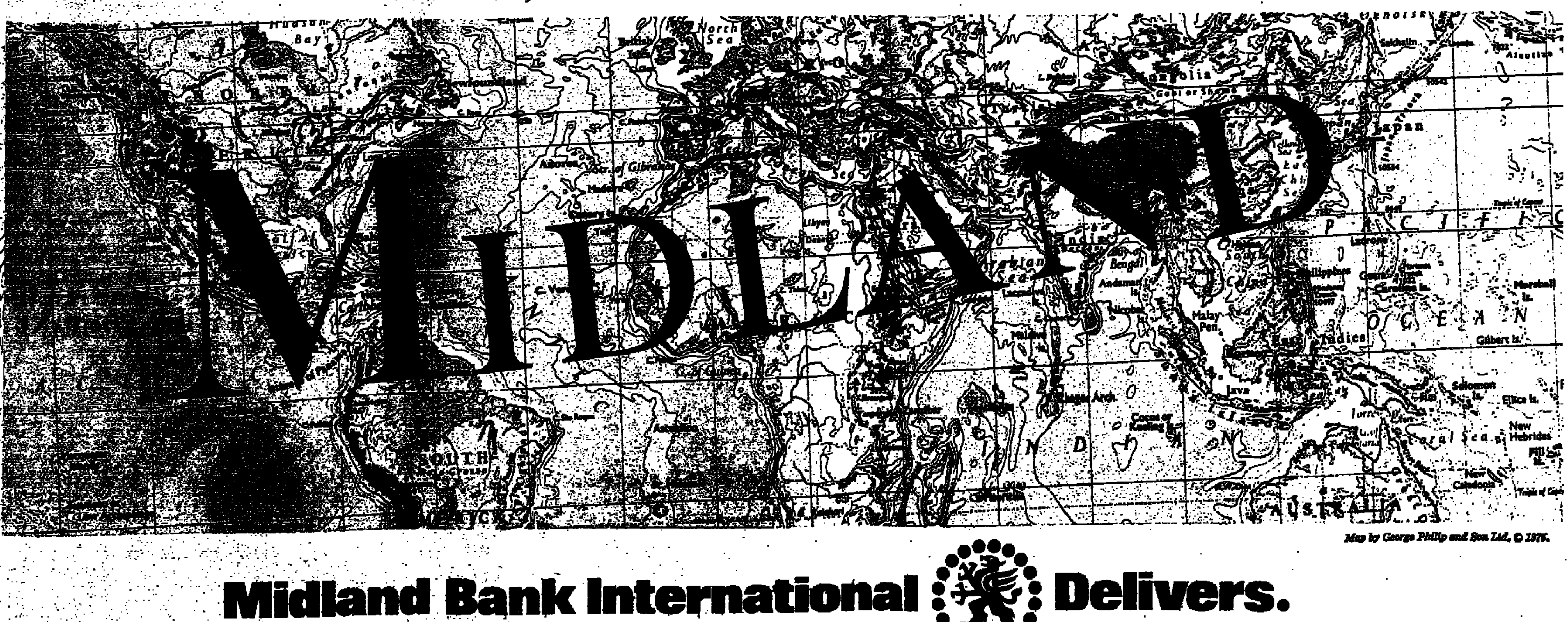

Map by George Philip and Son Ltd, © 1975.

Midland Bank International Delivers.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Wider use of microwaves

NOT OFTEN in the public eye due to its defence work is Microwave Associates, a company which since its U.K. start in the mid-60s has grown to 350 employees and a turnover of £4m.

Now installed in a new 50,000 sq. ft. factory in Dustable, the company is a good example—and a rather rare one—of a subsidiary of a U.S. parent that has established complete design, development and production abilities plus a product range that owes little to the other side of the Atlantic. It diffuses its own semiconductor wafers, makes PIN and impatt diodes, and fabricates its own ferrite components.

Much of the growth (currently stated as 30 per cent. per annum on turnover) has taken place in the last five years and can be attributed to the needs of electronic warfare. The company has had, for example, contracts, worth £2.5m. to make the solid state microwave portion of the Martel missile and is now making a very small lightweight radar transponder for the Royal Navy's Lynx and Harrier aircraft.

The company's most recent product is a remarkably compact (120 x 105 x 34 mm) synthesised frequency source for use in guided weapons radar systems using doppler technique. The 1½ kg generator is "agile," that is it can change very quickly to any one of 32 different but very stable frequencies (a countermeasure that forces enemy jamming transmitters to operate over a broad band, possibly upsetting his own devices).

About half the size of anything now flying, the design abandons the multi-crystal concept to get the frequencies needed and instead directly synthesises them in a phase-locked loop system with only one (VHF) crystal. The system uses fast logic devices (ECL) for deriving the frequencies digitally.

Further examples of this increasing versatility in microwave devices are in the company's non-military work. It is already firmly established in video links for the BBC and bulk telecommunications systems in the private microwave band (for the Gas Boards for example), but recently it has been looking at other areas.

It is for example, making ten equipments for the Home Office which will allow the video signals from a miniature TV camera on an incognito security vehicle to be received remotely (using an L-band carrier) on an ordinary 625 line UHF television set.

For the Canadian Post Office units have been designed for an ingenious system in which letters can be tagged for mail throughput rate measurements. The need arises from Canadian postal legislation which allows the Post Office to be sued if a letter does not arrive in a stated period.

The system uses a small adhesive dual-wavelength microwave dipole stuck on a test letter: on passing a microwave transceiver the dipole sends back a signal on the second wavelength.

Other work in progress is for AWA in Australia for its scanning beam contribution to the microwave landing world wide system competition still in progress, transmitters for a 22 GHz inter-vehicle data link for the Transport and Road Research Laboratory, and moisture measurement in grain and manufactured foods. More from the company on 0582 601441.

GEOFFREY CHARLISH

● HANDLING

Palletises many sizes of carton

AN AIR-OPERATED automatic palletiser, designed to stack cartons on pallets where production runs frequently switch between cartons of different sizes, has been developed by Contact Designs, Peters Works, Wouldham, Rochester, Kent (0634 666513).

It can be programmed to accept cartons of any size up to 84 x 30 x 12 inches, and can stack in different configurations.

The concept came from a maker of self-build furniture who previously used four men to palletise cartons, the largest of which weighed about 150 lb. He has found that as well as releasing the men for more productive work, and speeding palletising, the risk of injury and handling damage has been reduced.

Keyboard switches select the number of cartons for each stack and for the stacking layout—once the selection has been made palletisation is automatic. The machine takes cartons from a standard 2 foot 6 inch high conveyor at a rate up to 350/hr, and stacks them on a scissor-lift table, which is lowered for each layer of cartons.

Air operation of the machine is based on valves and cylinders from Schrader Pneumatics, Walkmill Lane, Bridgtown, Cannock, Staffs., WS11 3LR (05435 4011).

● INSTRUMENTS

Indicates vibration

DISPLACEMENT, velocity and acceleration of vibration over a nominal frequency range of 10 Hz to 1 kHz can be measured with the Phillips PR 9255 now offered in the U.K. by Pye Unicam, York Street, Cambridge (0223 58866).

A portable instrument weighing only 3kg, its rugged construction makes it particularly suitable for field as well as laboratory work in the mechanical and civil engineering industries.

The unit will work with both absolute and relative active transducers with nominal 30 mV/mm/sec sensitivity. If desired the bandwidth of the PR9255 can be reduced using external filters.

Readings are taken on a large moving coil meter. There are five ranges of velocity to 510 mm/s (four calibrated), and four calibrated ranges of displacement to 1500 microns with an uncalibrated scale to 5100 microns. Similar scales are provided for acceleration to 510 mm/s/s.

Electrical outputs at AC and DC are provided for waveform monitoring. The instrument can be powered from the mains, 12-volt battery or from re-chargeable cells, using a built-in charger.

● METALWORKING

Electrical heat easy to control

APPLICATION of electric heating to foundry work in preference to all other forms of heating is strongly suggested in a paper to this week's international Electro-Heat Congress in Liege, Belgium, presented by Mr. I. R. Balmer of the Electricity Council.

Pointing out that pending U.K. legislation on cold-blast cupolas and concerning environmental effects is such that the British Cast-Iron Research Association estimates that remedial work will demand a capital investment of £15m. a year over five years, he underlines that electric furnaces come within the Clean Air Act.

Induction furnaces will melt all types of charge materials without the need for extensive emission control equipment—the exception being oily scrap. Many foundries are re-equipping with such furnaces just to cope with local complaints of fumes and grit.

Another problem of foundry work, the excessively high temperatures operators have to endure, can be very largely solved by the much more closely controllable electric furnace where radiated heat, both in melting and heat-treatment operations is slight.

Meanwhile, the Electricity Council has issued in London, a report on induction surface hardening in connection with a demonstration of the technique to be held at the Furnaces, Refractories, Heat Treatment and Fuel Economy Exhibition (NEC, Birmingham, October 19-23).

It says the techniques can be applied both to plain carbon and low alloy steel components and that heating is fast, taking only seconds prior to quenching, with negligible loss due to radiation or conduction.

Selective depth control and consistently high surface quality is also possible.

Further details from the Electricity Council, 30 Millbank, London SW1P 4RD. (01-834 2333).

● WELDING

Handling the hardest problems

MAINTENANCE and repair work on various metal structures, places special demands on the manufacturers of the electrode materials used to carry out both preparation and the actual repair. Esab, which claims world leadership in practically every aspect of welding technology, has brought out an electrode in several formulations especially for the maintenance industry.

They cover nickel electrodes for cast iron constructions where toughness and machinabili[ty are] paramount and a variety [inten]ded for all "problem" st[eels].

A chrome carbide ele[ctrode] gives the user a finish [of] exceptional resistance [to] abrasion by minerals, co[al] while a further formulati[on pro]vides hard-facing ma[terial] which is itself highly we[ar-resistant] even with comparativel[y low] welding current.

Esab also has recent[ly in]stalled a highly automate[d weld]ing line at Kockums, Mal[mö for] use in the fabrication of panels and hull sectio[ns for] tankers and in particular [the] LNG/LPG tankers on orde[r at] Kockums.

The special problem [here is] the welding of the low te[mpera]ture steels of carbon man[ganese] type which will withsta[nd] minus 162 Centigrade of natural gas. The Esab/He[...] produces welds to the [...]tions of the U.S. Coast Gu[ard as] well as other classi[fication] societies and regulatory [bodies] in the marine area.

Esab, Fack S-402 70 G[othen]burg, Sweden.

● PROCESSING

Spots go without tears

AFTER the main cleaning process most dry cleaning companies will have an operator look for remaining spots which are then removed manually.

However, the solvent used may, after a full working day, prove objectionable and a product called Safetyklene 3 has been developed by Micro-Image Technology which, says the company, has already supplied Sketchley with an effective solution.

It is an ultra-pure chloroethane-based solvent filtered down to 0.2 microns to remove the contaminants which can sometimes cause ringing effects. In addition, low toxicity and the absence of flash point problems make the solvent considerably safer, it is claimed, than many alternative products now in use.

But it is the near absence of unpleasant fumes that should make the fluid popular. More from the company at Greenhill Industrial Estate, Riddings, Derbyshire (077 384 3983).

● COMPUTING

Australia shows the way

AUSTRALIAN-designed and manufactured video terminals have been presented in a satellite link demonstration of Australian customs data-processing systems held before an international audience in Brussels.

Following the successful demonstration of the Australian system to delegates from 40 countries of the Customs Co-operation Council at this Belgian venue, the manufacturer—Amalgamated Wireless (Australasia)—is doing an evaluation of the European market for its VTE-16 intelligen terminal.

Driven by a minicomputer designed and built by AWA, the terminal can be programmed to act as a replacement for terminals produced by a number of suppliers prominent in the European and American markets.

The Australian customs network centred in Canberra is a very large one based on two ICL System 4-72 machines supporting 500 display units and 400 printers. One of the routines demonstrated via satellite link was COMPILE, claimed to be the first anywhere which allows customs agents and importers to get direct access to the computer for the calculation of duties and preparation of import clearance documents for imported cargo whether it is coming by sea, air or parcel post.

Further from AWA on 211/213 High Street, Bromley, Kent.

● SAFETY

Pneumatic control for fire doors

TO PREVENT the spread of fire and smoke in large buildings, especially in multi-storey flats and offices, fire check doors are installed which seal off sections of the building. With the simplest type, the door is usually left closed, but in more sophisticated versions the door remains open and is closed by an automatic device in the event of fire.

Automatic fire door catches are usually electro-magnetic, holding the door open with an energised solenoid. An alternative system, based on a compressed air line, is claimed to eliminate the disadvantages of the electrical type—unsuitability for use in hazardous areas, coil burn-out, 50 cycle hum and energy wastage.

Called Avonguard, the system can be incorporated in an automatic fire alarm system, while the doors can still be manually opened and closed as required. Automatic night closure, and activation by smoke or flame detector systems, are available options.

There are two components in the system: a retainer, with central orifice, which fits to the wall or skirting (or with a bracket to the floor or ceiling); and a spigot with a floating ball head which is fitted to the door.

The ball of the spigot enters the retainer orifice where it is gripped by a sleeve locked in position by compressed air. If the air pressure is released, the spring loaded door closes. Manual force required to close the door can be adjusted from five to 30 lbs.

Air pressure required is from 55 to 80 psi, and is supplied to the retainer through 3/16 inch nylon tubing. Air for the system can be from a compressor, but the maker says it will operate equally well from a gas cylinder containing air, nitrogen or carbon dioxide. Air loss from the system is stated to be negligible.

The door control was developed by Avon Pneumatics, Enfield Works, Upper Westwood, Bradford on Avon, Wilts. (02216 6575), a Hunts Group subsidiary.

PARLIAMENT

Treasury Ministers bombarded with questions

Barnett confirms inflation target will not be met

BY JOHN HUNT

OFFICIAL confirmation that the Government has now abandoned its target of getting inflation down to single figures by the early months of next year was given in the Commons yesterday by Mr. Joel Barnett, Chief Secretary to the Treasury.

In lengthy exchanges with the Opposition, Mr. Barnett repeatedly stated that he was unable to give an estimate for next year's inflation rate.

Eventually, Mr. David Howell, a Conservative spokesman on Treasury affairs, pinned him down by demanding that he should say categorically whether the target of single figure inflation by the early months of 1977 had been officially abandoned.

"Yes, sir," replied Mr. Barnett tersely.

But later, Mr. Denis Healey, Chancellor of the Exchequer, firmly denied that the Government was now estimating that there would be a 15 per cent. inflation rate next year.

Sir Geoffrey Howe, shadow Chancellor, told him that some papers were suggesting that this was the case. If so, he thought it was yet another reason for the Chancellor to introduce further economic measures.

Mr. Healey replied: "That report is totally wrong. There are no grounds whatever for that belief."

The Government was sticking to its intention of bringing the inflation rate down to the mean rate of our international competitors by the end of next year. One of the chief difficulties in achieving this had been the unexpectedly high increase in commodity prices.

For 45 minutes during question time, Treasury Ministers were bombarded from the Opposition benches about the economic situation. Mr. Ian Gow (C., Eastbourne) accused Mr. Healey of "terrifying complacency," and Mr. Norman Tebbit (C., Chingford) accused the Treasury team of complacency, ignorance, sloth and "humbug."
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The Chancellor again gave an unfavourable response to Left-wing demands for the introduction of import controls while Mr. Denzil Davies, Minister of State in the Treasury gave a very tepid reception to a call for an import deposit scheme.

Mr. Healey also denied that the Government had made an approach to the EEC for a new loan for Britain.

To compound the Government's troubles, there were continual hostile questions from dissatisfied Labour backbenchers complaining about the effects of Government policy on unemployment and proposals for cuts in public expenditure.

They were further angered when Mr. Healey reaffirmed that he and the Prime Minister would do their utmost to see that the NEC's proposal for the nationalisation of the clearing banks and the leading insurance companies were not adopted as part of Labour's manifesto at the next election.

Mr. Gow told the Chancellor that until he made further cuts in public expenditure there would be no decline in the astronominal interest rates nor would the fall of sterling be halted.

Angrily, Mr. Healey retorted that he would take the question more seriously if Mrs. Margaret Thatcher, the Opposition leader, had not tried to pretend that cuts of £5.5bn. in public expenditure could be made without a high increase in unemployment.

Mr. George Younger (C. Ayr) wanted to know if the Chancellor would take action if the planned level of public expenditure next year turned out to be too heavy to bear. The Chancellor retorted: "If I find the public sector borrowing requirement is too heavy I shall cut it."

Mr. Wyn Roberts (C., Conway pointed out that the standby credit with foreign bankers had to be repaid by December 9 while the new loan from the IMF would

Mr. David Howell

not be available until later that month. He wanted to know what steps would be taken to make sure that there would not be another run on the pound during the intervening period.

Mr. Healey said that in these circumstances he did not expect any pressure on the pound. "We can repay out of reserves if the IMF borrowing is not fully negotiated by December 9. But it is far too earl yto take the view that it will not be negotiated by then. We can't be sure."

I'm not demoralised—Healey

The Chancellor was questionedabout Samuel Brittan's article in yesterday's Financial Times, entitled "A Government near the end of its tether."

Mr. Michael Latham (C. Melton) asked: "Isn't Sam Brittan right when he refers to demoralisation in Government circles? Ministers on that bench know perfectly well what must be done to save the economy but lack the political support or the will to do it."

Mr. Healey replied: "It is not for me to comment on Sam Brittan. Sometimes he is right, sometimes he is wrong. He is quite wrong in believing that the Government or I are demoralised."

Welfare payments change demand

WOMEN WHO are the main breadwinners in their families should have the same access to welfare benefits as men, Baroness Vickers (C.) demanded in the Lords yesterday.

Lady Vickers said that where the woman provided the principal pay packet she should be entitled to claim family income supplement, non-contributory pensions and other benefits and allowances which would be granted to the male in the same circumstances.

She was backed by Lady Wootton (Lab.) who said she failed to see why FIS should always have to be paid to the man. This "ridiculous regulation" ought to be changed.

Lord Well-Pestell for the Government, said that non-contributory invalidity pension would be extended, in November next year, to married women who were incapable of paid work and of performing normal household duties. But the Government had no other plans to take the kind of action Lady Vickers envisaged.

Last year, he added the Supplementary Benefits Commission had had to deal with 5m. new applications over and above the 3m, which had to be constantly reassessed. There would be difficulties if a wife applied on some occasions because she happened to be the main breadwinner, since, within a short time, the husband might become the main breadwinner and then he would apply.

Lord Wells-Pestell went on: "The law relating to benefits—supplementary benefits and family income supplements—lays down clearly that the man must make the application."

The Government recognised that there were anomalies and difficulties but a review had been promised by the Social Services Secretary which would cover the question of whether the wife might be able to obtain benefit.

Sugar merger defended

THE MERGER between Manbré Sugars and Tate and Lyle met the criteria in the Fair Trading Act for reference to the Monopolies and Mergers Commission, but the exercise of this power was discretionary, Mr. John Fraser, Minister of State, Prices, said in the Commons yesterday.

"No reference was made primarily because a unified cane sugar refining industry offers the best prospects of keeping the loss of jobs on rationalisation to a minimum, particularly in areas of high unemployment," he added in a written reply.

Callaghan: Confidence a plant that grows slowly

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MR. JAMES CALLAGHAN, Prime Minister, yesterday rejected what he called "gimmick" solutions for Britain's economic difficulties.

Again stressing that he considered pessimism over the prospects was overdone, Mr. Callaghan warned the Commons at question-time that "there is no quick action that can be taken to restore confidence." And he reminded MPs of his "no soft options" broadcast.

But it was the possible implications of what he had to say about import controls which caught the particular attention of MPs.

Urged from the Labour backbenches to look again at the possibility of extending import controls, the Prime Minister referred to the TUC/CBI memorandum, produced the previous day, which also suggested further action in this field.

He described it as a "very interesting document which has been sent to me jointly by the TUC and CBI, and, coming as it does from these two stables, harnessed together, it clearly needs some very careful consideration."

The Prime Minister added: "I am arranging for that to be undertaken."

With MPs probing for any possible new turn in the Government's economic policies, Mr. Callaghan stressed his own confidence in the eonomic future.

Mr. James Callaghan rejected "gimmick" solutions.

"I believe there is a very considerable future because there is a growing realism on the part of both sides of industry that it is possible to overcome the problems which have led to what the Right Approach (the Tories' new policy document) calls the long-term decline."

When the Prime Minister mentioned speeches he had made, Mrs. Margaret Thatcher, opposition leader, intervened to contend that one of Britain's economic difficulties was Mr. Callaghan's failure to match his actions to his words.

"We are facing the most serious economic crisis in the post-war period," declared Mrs. Thatcher. "There is total lack of confidence in sterling. That is where your actions have led."

Responding to Mrs. Thatcher's call for action to restore confidence, the Prime Minister said: "You will fin dthat confidence is a plant which grows very slowly. There is no short-term action which I think can be taken to restore confidence."

It was at this point that he urged MPs to discount the pessimism, but emphasised the need to increas eexports. "It is in this field that we have to push much further and much faster. I believe that as the industrial strategy has been agreed by both sides of industry — and I hope would not receive any discouragement from the Opposition — that this is the basis on which we can march on the long road back."

Import deposits rejected

IN A WRITTEN answer Mr. Robert Sheldon, Financial Secretary to the Treasury, said the Chancellor had discussed with TUC representatives several times the level of imports and ways in which they might be limited.

"He is not persuaded that an import deposit scheme is the right answer to our present problems," Mr. Sheldon added.

In another written answer, Mr. Denzil Davies, Minister of State, Treasury, recalled that the Chancellor had said earlier in the year that general import controls were not a solution to our economic problems.

They would provoke retaliation against our exports, disrupt those manufacturing industries dependent on the import of components and semi-manufacturers and run counter to our international obligations.

He added: "We remain ready, however, to impose temporary selective controls where the future of viable U.K. industries is placed in jeopardy by excessive imports."

Peers regret publicity for Danish film-maker

THE FREE publicity given to Danish producer Mr. Jens Thorsen's plans to make a film in Britain about the sex life of Jesus Christ, meant that he might now have financial backing for the film, Lord Brockway (Lab.) said yesterday.

His comment came during exchanges in the Lords after Lord Harris of Greenwich, Home Office Minister of State, had confirmed the Government's view that any action against Mr. Thorsen would be considered, should he arrive here.

Lord Longford called on the Government to prevent the film being made. He said the Government's attitude did not make sense "bearing in mind all the facts about this lamentable figure whom the Prime Minister has described as 'most undesirable and unwelcome'."

Lord Harris said the Government had no powers to control the production of films but there was power to refuse entry to an EEC national on grounds of public policy, public security or public health.

Lord Harris replied: "The Prime Minister and the Home Secretary have indicated their attitude towards Mr. Thorsen. If he does, in fact, present himself to a port of entry, the Home Secretary will then decide whether he should be admitted."

Lord Brockway said: "All this agitation has been of very great financial advantage to Mr. Thorsen in the advertising that it has given. As a result, a man, who is largely resourceless, will have financial backing for the film."

Lord Murray of Gravesend declared: "Mr. Thorsen, having no money and no backers . . . has got a lot of free publicity from people who ought just to dismiss him as a crank."

Lord Hailsham of St. Marylebone said that, on religious grounds, Sikhs were no longer being forced to wear crash helmets and a film about Mohammed had had its title changed. "Are Christians the only religious body in this country whose religious opinion is not to be considered?" he said.

Next week's business

COMMONS business next week is:

MONDAY: Weights and Measures (No. 2) Bill, second reading: proceedings on the Trinidad and Tobago Republic Bill and on Resale Prkices Bill: opposed private business.

TUESDAY: Agriculture (Miscellaneous Provisions) Bill, Lords amendments: Companies (No. 2) Bill, remaining stages.

WEDNESDAY: Motion on Southern Rhodesia Act 1965 (Continuation) order.

THURSDAY: Energy Bill, remaining stages: opposed private business.

FRIDAY. Debate on agriculture.

MONDAY (October 25): Retirement of Teachers (Scotland) Bill, Valuation and Rating (Exempted Classes) (Scotland) Bill, second readings.

Companies Bill

PROVISIONS added to the Companies (No. 2) Bill in committee would considerably strengthen the law in relation to the use of nominee shareholdings, Mr. Clinton Davis, Under-Secretary, Trade, said in the Commons.

Scottish electricity Bill gains third reading

MPs LAST night gave an unopposed third reading to a Bill which allows Scottish Electricity Boards to borrow another £750m.

Mr. Gregor MacKenzie, Scottish Minister of State, said that the measure, the Electricity (Financial Provisions) (Scotland) Bill, would enable the two Scottish Boards to borrow money required for investment.

Principal provision in the investment programme was for the nuclear power station at Torness, in East Lothian.

This was part of the Steam Generating Heavy Water Reactor (SGHWR) power programme announced in 1974. Since then, there had been decreasing demand for electricity and this had given rise to questions about the need for Torness.

The future of the SGHWR programme as a whole was being examined as part of the review of energy policies. But whatever the outcome of the review, additional generating capacity would be needed by the mid-1980s.

Protest over Russian's visit

A PROTEST to the Prime Minister over the forthcoming visit, as guest of the Labour Party, of a top-ranking Soviet official was made in the Commons yesterday.

Mr. Winston Churchill (C, Stretford) described the visitor, Mr. Boris Ponomarev, as being in charge of "supervising the interests of Soviet imperialism in countries outside the EEC bloc."

Mr. Callaghan said that Mr. Churchill had interviewed a number of people "not entirely devoted" to democracy and had managed to preserve his purity "undefiled." He added: "My friends on the NEC are just as tough as you are."

MONOPOLIES COMMISSION

Eurocanadian merger 'against public interest'

BY JOHN WYLES

AFTER AN investigation lasting nearly eight months, the Monopolies and Mergers Commission has concluded that existing and proposed mergers involving Eurocanadian Shipholdings and Furness Withy and its subsidiary, Manchester Liners, would be against the public interest.

A reference was sent to the Commission on November 28, 1975, by the Department of Prices and Consumer Protection stating that "it is or may be the case that a merger situation qualifying for investigations (as defined in section 64(8) of the Fair Trading Act 1973) has been created."

The Commission first had to decide whether a merger situation had been created between ECS and FW in the six months to November 28, 1975, when the matter was first referred to it. Secondly, whether arrangements were in progress or contemplated which would create such a situation (referred on December 23, 1975). Thirdly whether the same situation applied between ECS and ML (referred on November 28, 1975).

On the existing merger situation between ECS and FW, the Commission says that in the six months up to November 28, 1975, ECS and its associates increased its shareholding in FW from less than 10 per cent. to 20.6 per cent. of FW equity. At the same time ECS acquired an interest in a further 8.2 per cent. of FW equity.

Of this second block of shares, the report says: "In our judgment the transaction did not constitute a sale of the shares to ECS but a grant to ECS of an option to purchase the shares on December 9, 1975 (or such later date as might be agreed) for 260p per share, together with certain interim rights."

Furness Withy, says the report, did not know the conditional nature of this deal and as a result believed that ECS held 28.8 per cent. of the equity. ECS had a right to control the votes attached to the 8.2 per cent. of the shares until December 9 so that the position on November 28 was that these rights had 11 days to run.

However, the commission concludes: "We are of the opinion that ECS did not become able to control the policy of FW by virtue of its shareholding of 20.6 per cent. plus its temporary voting rights in a further 8.2 per cent."

But under Section 65 of the Act the question of influence had to be considered and "we conclude that in the six months ending November 28, 1975, ECS became able materially to influence the policy of FW, and a merger situation qualifying for investigation was thus created."

On the prospective merger situation between ECS and FW the report says that ECS stated thta it intended to increase its shareholding in FW up to 29.9 per cent. with the aim of obtaining representation on the FW Board. Taking into account the absence of other large holdings in FW "we consider that a holding of just under 30 per cent. would enable ECS to get a sufficient number of its representatives elected to the Board to control the policy of FW."

On the prospective merger between ECS and ML, the proposals for ECS to acquire FW's 61.6 per cent. holding in addition to its own 37.6 per cent. were being considered immediately before the reference, says the report.

It concludes "ML gives a first class service to British exporters and shippers generally. Transfer of control of ECS would be likely to impair this service. It might well deprive the British shipper of his present choice between a conference and non-conference srvice. ML's operations would become closely integrated with these of the Cast group and, because of the widely differing nature and objectives of the two groups as they are at present, ML would suffer substantial damage and disruption."

The report adds that the effects of a merger on the balance of payments and on emp[...] "would be more likely t[...] favourable than favoura[...] could accelerate the sub[...] of the Port of Liverpool [...] chester" and we think th[...] be harmful to regional in[...]

The Commission ta[...] view that ECS represent[...] the board would give Ca[...] to FW commercial info[...] It views Cast as compe[...] ML and a potential co[...] of FW. This competitic[...] objection to ECS repres[...] on the Board, says the [...]

It finds that the [...] merger situation betwe[...] and FW "operates and [...] expected to operate aga[...] public interest" and [...] that the proposd merger [...] expected to operate aga[...] public interest.

The report recommend[...] are unable to recomme[...] actions which would pre[...] adverse effects which [...] sider would be likely [...] from the proposed [...] between ECS and ML [...] we therefore recommme[...] the merger should not [...] mitted."

"We are unable to rec[...] any action which would [...] or prevent the adverse [...] which we think will res[...] the merger between [...] FW which has alread[...] created . . . We t[...] recommended that ECS sh[...] required over a re[...] period, say two years, to [...] its holding of FW [...] shares to not more than [...] cent. of FW's issued O[...] share capital, and that [...] while, it should not [...] mitted to exercise voting [...] in respect of shares re[...] ing more than 10 per c[...] the issued Ordinary share [...] of FW."

The Monopolies and [...] Commission. Eurocanadia[...] holdings Limited and [...] Withy and Company [...] and Manchester Liners L[...] A report on the Existi[...] Proposed Mergers. HMSO[...]

STRONG REACTION TO NEW INQUIRIES

'Irrelevant to national prioriti[...]

BY KENNETH GOODING

GUEST KEEN and Nettlefolds, Britain's biggest engineering group, reacted angrily to the news that the Monopolies Commission was to investigate the supply of fasteners.

The group is thought to account for more than 25 per cent. of all metal fasteners. But it does not have a techpical monopoly in each of the five product areas to be probed: nails, tacks and staples, nuts and bolts, rivets, screws, and cotters and cotter pins.

"An inquiry of this nature, lasting for two years, will distract and divert management from its primary task of maintaining this industry in the U.K. and withstanding imports," the company said.

"It is irrelevant to current national priorities and cannot have any beneficial consequences for anyone."

The group was also extremely annoyed because there had been no prior consultation with the industry to discuss its problems and the issues involved.

Last year there were discussions between GKN and the Office of Fair Trading about an exclusivity arrangement the group had introduced. Distributors were tied to GKN products only. The arrangement was dropped.

GKN claims, however, the talks could in no way be described as consultation with the industry on a monopolies reference.

The Office of Fair Trading's view, put yesterday by Mr. Gordon Borrie, the director-general, is that the investigation will present a chance to look at the industry's efficiency and effectiveness in world markets.

Britain's share of the world fasteners market slipped from 10 per cent. in 1063 to 7 per cent. in 1969. By 1973—the last full year for which the office has statistics—it was down to 5 per cent.

Imports in 1963 were £16m. out of a total market worth £164m. Last year there were £35m. worth of imports in a £275m. market.

The office admits that companies apart from GKN, such as Rubery Owen, Glynw[...] Tucker Fasteners might [...] technical monopolies — [...] than 30 per cent.—in so[...] the product areas to be [...] at. But Mr. Borrie m[...] obvious that some of GKN'[...] keting practices did not [...] with his office's approval.

He mentioned GKN's f[...] forcing policy, where the [...] insists that distributors [...] the group's full range of f[...] ing products if they are t[...] any at all.

It was also alleged that [...] industry in the U.K. was [...] last peak of demand, com[...] were forced to go [...] fasteners because GKN [...] not relent and allow the [...] take supplies from rival [...] ducers.

GKN's reply to all this [...] the greater part of the [...] fastener industry is unpro[...] and that without a group [...] size and long-standing in[...] ment (100 years) Britain [...] probably be without a ma[...] turing industry of its own[...]

Walls, Lyons Maid surprised

BY STUART ALEXANDER

SURPRISE AND astonishment were expressed last night by both Walls and Lyons Maid at the announcement of the reference to the Monopolies Commission.

Both quoted the 1970 inquiry by the Prices and Incomes Board into pricing in the ice cream industry which stated: "There is a degree of competition sufficient to allow the consumer a good measure of protection."

Earlier, Mr. Gordon Borrie, director-general of the Office of Fair Trading, said he was concerned with pricing policy, efficiency, competition and trading agreements.

He was further concerned by the joint ownership by the two companies, of Total Refrigeration which he said, supplies 90 per cent. of all corner shops with refrigeration units.

"The question here is how much this practice inhibits new entrants into the field." He felt the consumer might not always be offered the choice of the products he wanted and small manufacturers might have trouble breaking into the field.

These charges were refuted by the manufacturers and a Walls spokesman claimed that the range of products was phenomenal. "We are very flexible and can move quickly to introduce new lines. We are fully able to meet market needs and introduce many new products each year."

All the major manufacturers were involved in supplying own-label brands but supplies to the catering trade were far less significant than they were five years ago, he added.

Sales of ice cream and lollipops have been very high over the past two years because of the exceptionally good weather.

But Walls claims that brand shares have declined slightly during that time and refuted the office of Fair Trading claim that they and Walls held over 80 per cent. "And I'm not talking about one or two percentage either," the spokesman sa[...]

The Ice Cream Alliance, [...] represents more than 1,5[...] cream makers, wholesaler[...] users, said it viewed the [...] ence with equanimity and [...] ised to co-operate.

"We have nothing to fe[...] our members will co-opera[...] submit evidence on any [...] they thing is of public int[...]

The two giants of th[...] cream business were bu[...] during the 1950s and [...] 1955, Unilever formed T[...] and Son. At about the same [...] Union International [...] Eldorado, and Associated [...] Foods formed Neilson Ho[...] which had two major s[...] aries, Neilsons Ice Crea[...] Frozen Foods and Meddo[...]

In 1962, Lyons bought Ne[...] from ABF and the foll[...] year, Eldorado from [...] International. At the same [...] they formed Lyons Maid [...] wholly-owned subsidiary [...] Glacier Foods.

FINANCIAL TIMES REPORT

Friday October 15 1976

PROPERTY IN THE NORTH WEST

The North West provides one of the liveliest regional property markets, and the largest outside the South East. It has provided resilient letting demand through most of the recession and industrial development has started to pick up, but the problems of *office oversupply around Manchester remains acute.*

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ECONOMIC identity of the h West has seldom seemed arer to those who live and k there. Devolution plans Wales and Scotland have ught to the surface the con- rable latent anxieties that, all the money national ernment has put into the ion, it has suffered from

he North West Industrial elopment Association is not ody to issue emotional calls home rule. But its tone of pproval, when lobbying on devolution issue against a kground of unemployment her in the region than in gland and little lower than Wales, was clear: already, it decisions about Govern- nt assistance to Scottish and sh industry are taken in gland and Wales.

In contrast, the North West rely has a branch office of National Enterprise Board ministered from London. The advantage likely to arise from North West under these angements will be intensified the present proposals for olution are adopted."

he industrial achievements the region are, it is felt, con- tently underrated, particu- ly in its ability to absorb w types of work, often with a h technology base. As an mple of misinterpretation, it ften assumed that the severe ial problems and high unem- yment on Merseyside have ncided with a continued de- ne in labour relations there, ereas the opposite is true.

The property market linked this regional economy has, by dition, been one of the live- st in Britain. Equally, there grounds for thinking it mis- derstood, or ignored, by the investing institutions of London and Edinburgh.

Its size, perhaps, needs emphasis. Using figures based on Inland Revenue floorspace returns, the region is confirmed as the second office area of the country. It has more than twice the volume of offices—57m. square feet—of any region bar the South East. Even taking the East and West Midlands combined they fall 13m. square feet behind. And if one excludes Greater London then the North West has the same total of offices as the South East. To put it a different and less palatable way, there are few cities that have had £100m. worth of office projects abandoned or deferred since the property bubble burst, but Manchester is one of them.

In the retailing field, the region has been to the forefront of the shopping revolution. Just as the plethora of town centre schemes, often with a new bus station included, which were built in the old mill towns in the 1960s comfortably predated most such projects in the South, so the superstore developments of the 1970s have found much more ready acceptance by planning authorities and public in the North West. And in the Manchester Arndale, the region will have one of the largest covered city centre schemes in Europe, certainly the biggest in Britain.

Again using the figures extracted from Inland Revenue returns, the North West has 109m. square feet of shopping space, 36m. square feet less than the affluent South West, even excluding Greater London, but more than any other region and little short of the total for the East and West Midlands. In industrial and warehouse space, the North West's total of 686m. square feet contrasts with 510m. square feet in the West Midlands, 282m. in the East Midlands and 448m. square feet in Yorkshire and Humberside. Greater London has 414m. square feet of industrial and warehouse space, and the rest of the South East 501m. square feet.

This Report was written by Quentin Guirdham, Property Correspondent

In judging how the market in property in the North West has fared through the recession, one starting point is the remark by a partner of Dunlop Heywood, the large Manchester agents: "When London had its troubles at the end of 1973 we laughed for two years. Everything hit us this past six months."

Comment

This is, perhaps, mostly a comment on the South East. The extreme volatility of its property market was demonstrated as never before between 1971 and 1975 and could barely be said to have recovered equilibrium now, particularly from the point of view of developers with empty buildings once more facing punitive interest charges. With its lower land values, lower building costs and, in general, lower gearing among development companies, the North West's market was not balanced on the same knife edge as the South East.

But the strength of demand was also not affected so sharply. The feature of the present recession, that business profitability and employment figures have suffered relatively greater falls in the traditional prosperous areas has meant that demand for industrial space, in particular, in the North East has been steadier than in many other regions. No one would call it brisk, but the headline troubles of Thorn or Shotton have not meant that industry ceased to be attracted to the region. In a period of low industrial investment, perhaps 400 new companies have moved into the North West over the past two or three years, creating 30,000 new employment opportunities.

So, while most agents have an ample supply of modern industrial property on their books, there has also been a steady take-up of space. The idea, often voiced, that a recovery in industrial demand would create a sudden shortage in space, does not apparently do justice to either the relatively low cyclicity of the North West market or to the extent to which both private and public sector *developers have already moved* cautiously back to expansion.

Speculative

Where the industrialists' call for more advance factories may be justified is in the less *favoured areas of the region,* and they have, to some extent, been answered in the number of speculative government units built on Merseyside and the increased proportion of the national factory building programme which has been allocated to the region.

In the private sector, the worry is that at present rents show few signs of moving toward levels which would justify new development in any but the most favoured warehousing districts close to the road network. Plenty of good modern space has been let recently at less than £1 a square foot, while most new developments would require something substantially above this level. But it is unlikely that industry, particularly with the benefit of the grant system, is going to change the location of its new investments for what can only be a marginal cost. The experience of *industrial agents* on price is, to some extent, similar to that of office agents trying to let the surplus of Manchester offices. Rents, which have if anything only declined over a two-year period when all other costs have increased sharply, are not the crucial issue.

Where there is a much greater emphasis on price is in the older industrial property, where rents have been haggled down to very low levels. Similarly the vacant possession prices paid for larger industrial units have been low—£365,000 for the fairly new and well appointed one-time Thorn factory of 80,000 square feet at Skelmersdale being an example.

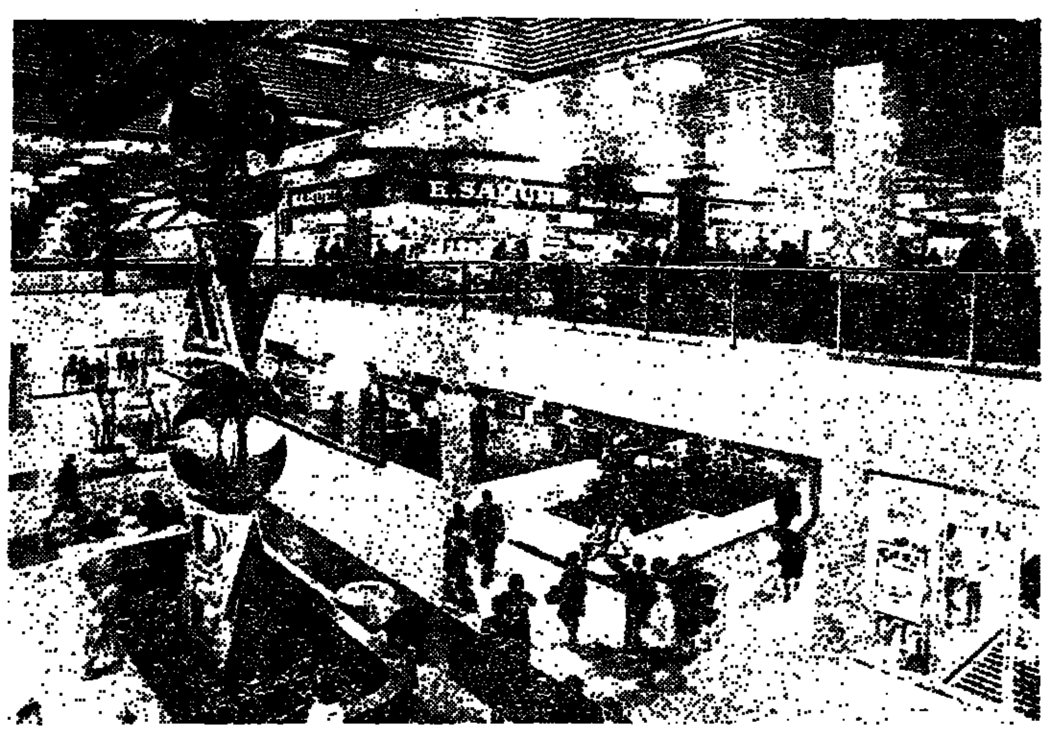
But there is evidence that *owner occupation of older* premises in the 20,000 square feet and under range is still desired by many industrialists and that the refurbishment of multi-storey premises can still attract a good letting market for small units. A 60,000 square feet mill at Farnworth, divided into units down to 1,200 square feet, was all let in five months this on short leases at 25p to 70p a square foot, with the cheapest *space on the top floor going* first.

The diagnosis that the North West's property market did not feel the worst of the recession until this year can also be substantiated in the office field. The region has seen, since the 1950s, one of the largest expansions of clerical employment. This has been matched by a substantial development programme of new offices. Between 1967 and 1974, for instance, 18m. square feet of new offices were added to the North West's stock, a building programme more than twice the size of any other region bar the South East. *Manchester and its* suburbs, along with new clerical centres like Bootle, are perhaps the most concentrated example of the office development boom in Britain.

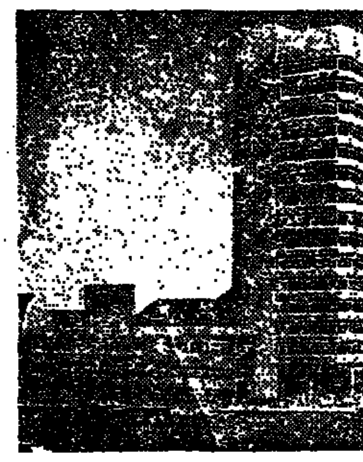
In planning terms, the problems this has caused are *strikingly apparent in the centre of* Manchester with its mass of vacant sites and also in the quantity of unlet offices both there and in the suburbs. But the region has looked severely over-officed before, and in practice most of the surplus space has been steadily absorbed. In Manchester, the take-up rate of 500,000 square feet a year was frequently quoted in the good years. Doubts are now expressed as to whether this could ever be described as the norm, so that the fall in the rate to around 200,000 square feet a *year still means that much of* the well located space will be cleared over the next year. What will not be solved as quickly are the problems of some clearly off-centre developments or the 200,000 square feet plus blocks of the Arndale Centre and Victory House.

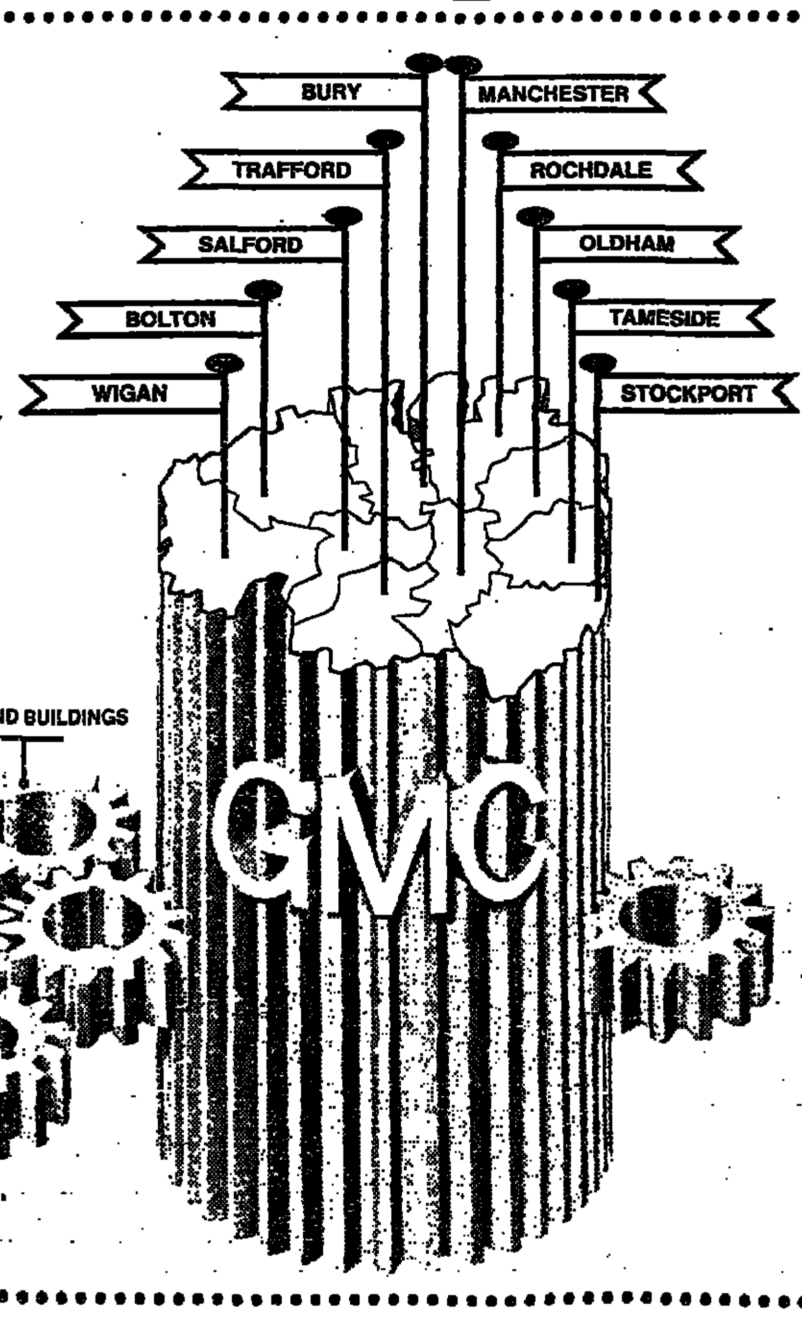
The giant expectations represented by blocks of this size—or the even more ambitious 23-acre site owned by English and Continental Properties on the old Central Station—may prove too large to be justified by a depressed national and regional economy. They may also confirm a trend toward more local management of the region's property matters.

It is the long-established local investors and developers, like the combination of the Co-operative Insurance Society with Laing, which will continue to shape the mainstream of property development in the region. The burnt fingers in London, symbolised by the failure of Victory House's developer, London Bridge Securities and the problems now for its bank backer, Brandts, may for many years frighten those who felt that a region with such a resilient record in letting demand could pose few problems for developers. *There is something of the same feeling* among local agents, who, like many others in the region, are no longer so inclined to bow to the wisdom of London.



The first phase of the Town and City Properties, Prudential Assurance and Manchester Corporation development of the Market Street Arndale Centre has just opened. It will be Britain's largest covered shopping centre.





Caution in industry

THE INDUSTRIAL property market in the North West has waited as long as that in any other region for a genuine increase in demand to justify new development. Whether the time has really come or not, there are now signs of a cautious increase in new building. Whether such activity will be financially justified is an open question: £1 a square foot comfortably secures most new industrial space in the region. There are exceptional areas or estates already getting higher rents, but equally there are many falling well below this mark. Most new developments are going to need an appreciable uplift from these levels to show returns.

What must not be underestimated, however, is the steadiness of demand through the region. This is hard to prove with figures, but agents specialising in industrials stress that the region does not suffer the same peaks and troughs in demand common to the Midlands and the South. Some evidence of this shows through in the surveys of vacant space conducted by King and Co. who in the spring charted 11.4m. square feet of vacant industrial space in the region, a high enough total but one which was only marginally up on the previous year's where the overall figures for England and Wales had nearly doubled.

Taking the totals from Edward Rushton Son and Kenyon's survey, and excluding old multi-storey premises, the trend emerges as very similar to that shown by King and Co., with only a modest rise since the end of 1975. Space available in Greater Manchester totalled 12.1m. square feet, of which half was old multi-storey property, while the totals for Merseyside were given as 3.6m. square feet, for Lancashire at 3.2m. square feet and for Cheshire at 2.7m. square feet.

Unlikely

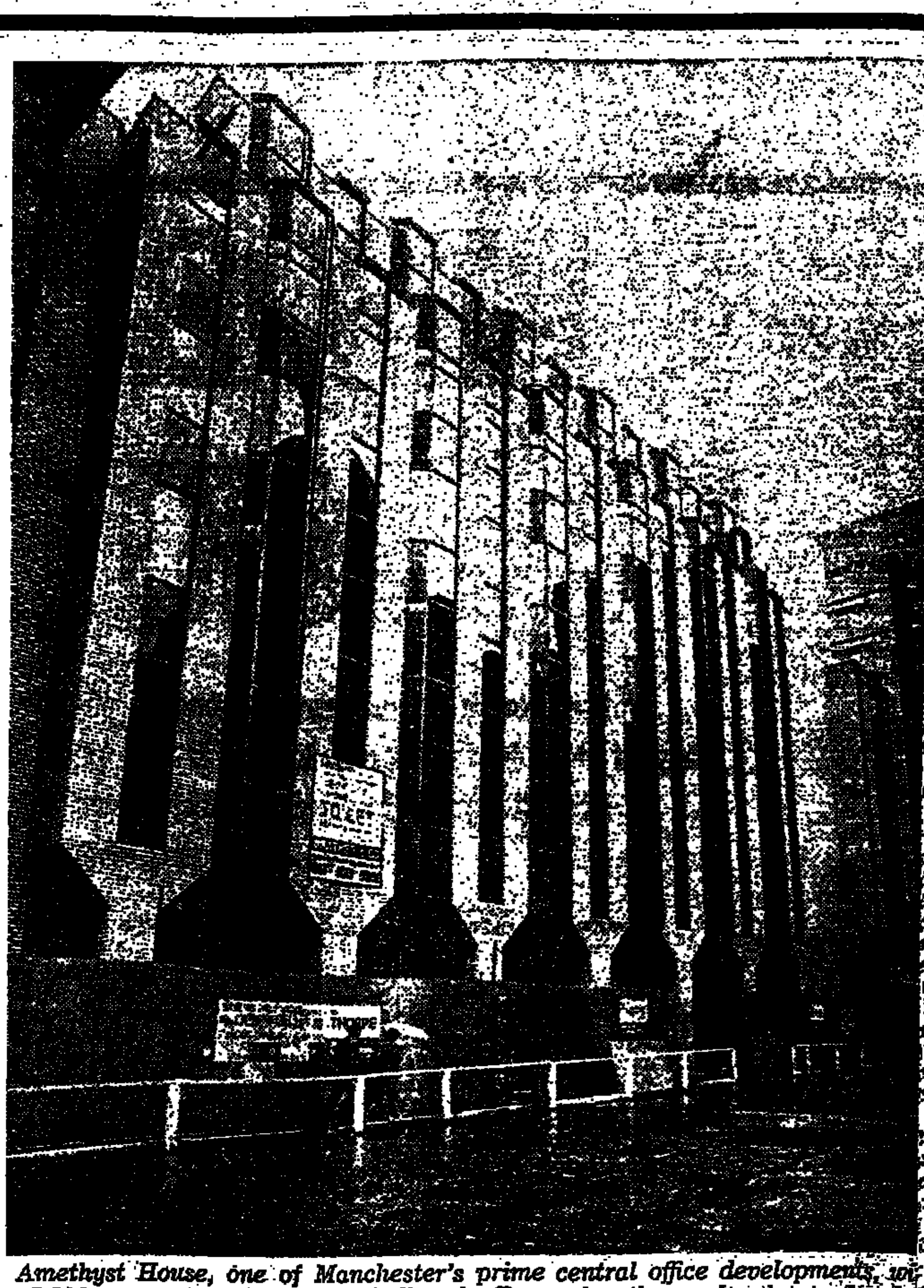
It is unlikely that these totals have risen appreciably. While the region has received its shocks, such as the Thorn closure at Skelmersdale with the loss of 1,500 jobs and while it has major continuing worries such as the security of the 8,000 jobs at GEC's Trafford Park factory, the region is also attracting new industry. How far this is due to the grant system, concentrated in the SDA ring around Merseyside, is unproven. The evidence of the industrial property market is that the best government investment in the region has been its road network.

The success of Warrington with intermediate status in attracting factory and warehouse users is perhaps the most striking example of this, and it would appear to have shifted the prime warehousing market ten miles south from Haydock. Even so, in comparison with centres in other regions, Haydock is still extremely well served and 64,000 square feet available at the start of the year on Rush and Tompkins' Yew Tree Trading Estate, the third large estate developed in Haydock, has all been let (though Ravenhead Glass is now aiming to assign 20,000 square feet of its space). The chances of many of the older mill towns to attract industry have been progressively improved by the opening up of the motorway system.

But even in the most popular centres, the rents at present passing will be insufficient to attract many private developers, with perhaps more of the new accommodation inevitably coming from local authorities, development corporations and from the English Industrial Estates' advance factory programme. In Warrington smaller units fetch £1.20 a square foot, but on larger units, like the 30,000 square feet just entered by the Littlewoods Group, it is still only £1 a square foot.

Against this, a reported £1.30 a square foot was paid by L'Oreal for a 67,000 square feet unit on what is traditionally the unfashionable eastern side of Manchester and Abbey Life is asking around £1.20, with enough confidence to start another development phase, on its Oak Hill Estate at Worsley. The bellweather of the Manchester market, Trafford Park, has seen limited new development, the Sevenside-Norwich Union partnership being the main provider of new space with one or two sizeable lettings and a top rate of around £1.15 a square foot on the most popular 6,000 square feet units.

What is perhaps a pointer to the future is the range of prices paid for industrial land, with most of the deals done before Development Land Tax became effective. Mason, Owen and Partners quote two contrasting prices. For Capcount, they sold 11 acres at Huyton on the east side of Liverpool to Allied Breweries for a regional distribution depot, the price being around £20,000 an acre. But on EPIC's North Cheshire Trading Estate on the Wirral, the Merseyside and North Wales Electricity Board has paid £175,000 for five acres and Mason, Owen and joint agents Donaldsons have further transactions at around this level under negotiation. Such prices suggest that some shortage of the best locations is anticipated with an industrial recovery next year.



Amethyst House, one of Manchester's prime central office developments, with 15,500 square feet of banking hall and offices, plus the vaults, let to Standard and Chartered Bank. The investment has been bought by Equitable Life Assurance.

Office surplus creates problems

AMONG THE inquiries currently talked of for offices in Manchester are one of 200,000 square feet, a couple around 150,000 square feet, two more at around 40,000 square feet and a handful more at 20,000 square feet plus. Several of these will have to move from the inquiry to the negotiation stage before the size of Manchester's surplus office space is reduced. A phase of development is coming to an end, but the 64,500 square feet in the tower of the National Westminster development and the 400,000 square feet of the Town and City schemes—200,000 square feet of it in the Arndale Tower—are coming to completion to be added to a substantial quantity of space which has been on the market some time.

Manchester has long been a speculative developer's city. There have been plenty of pre-lets during construction, but a look at the city centre's varying architectural styles identifies the speculative booms of the last 20 years. There has been a substantial surplus before, though not on this scale.

Agents Wrather and Co. argue forcibly that the figures for the prime office area around Albert Square, King Street and Spring Gardens should be considered apart from the acres available off-pitch. Less than 250,000 square feet is the total available here and in a buoyant economy it would not take long to shift most of this space. There is almost nothing new being built here and even prosperous developers like Heron, with its prime Albert Square site, look unwilling to go ahead yet without a pre-let.

Despite the profound changes to the city centre, it is likely that the importance of being in the old commercial centre will survive. Architecturally this area has also been best served. The Sun Alliance building, the other, and contrasting, National Westminster building below it, and the new Amethyst House close by are among the best examples of what is excitingly modern but still in scale with the area. They are a reproach to some of the anonymous and now tatty slabs which border the area.

But granted an economic climate to clear this prime space, there is still a formidable number of buildings to be let in the central area as a whole. There have been good lettings in the past year—Town and City's Cardinal House to Turner and Newall, much of Chatsworth House to Kennedy and Donkin, 40,000 square feet of Overseas House to the Equal Opportunities Commission, the lower part of Amethyst House to Standard and Chartered Bank, and the former Bank of England building, owned by Slater Walker, to the Trustee Savings Bank.

Trickle

But those represent only a trickle of normal Manchester demand if the estimates of 500,000 square feet in the boom years were right — senior agents like W. H. Robinson rather doubt it and would put the fall in demand only from around 400,000 square feet a year to 200,000 square feet.

What the lettings may illustrate is that the answer to the oversupply is not price-cutting. Whatever the quoted asking rents, £3 a square foot would secure larger units in almost all the existing developments. But cutting this to £2.50 a square foot would not alter the picture (the asking rents go down to £2.50 for a refurbished property like St. John's House, Deansgate or the new 200,000 square feet Victory House, and down again to £1.25 for the 42,000 square feet available in the older New Deansgate House).

There seems general agreement that price-cutting would solve little, with tenants anyway getting modern space at a cost which it could not be rebuilt. And the premium which is still available for prime space was illustrated in Standard and Chartered's leasing of 19,300 square feet of Hammerson's Amethyst House. That total included nearly 4,000

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PROPERTY IN THE NORTH WEST III

New retailing ventures

HE buses pulling into the ...tion beside the Piccadilly ...za in Manchester carry the ...ogan "I've seen it, Now I ...lieve it—Tesco, Irlam." The ...ops they pass, in what was ...r the early 1960s an exciting ...w retailing area, have the ...ok of a strip which is going ...adually off-pitch. That the ...tices on Mothercare say that ...is moving to the new Arndale ...entre reinforces the impres...on. Retailing habits are ...robably changing faster in the ...orth West than in any other ...egion.

At its centre, Manchester is ...sing the biggest question of ...l. It is already ringed by a ...ries of town centre schemes. ...mong them are the Arndales ...t Stretford, Bolton and ...iddleton, Oldham Estates' ...dham scheme, MEPC's at ...ury, Ravenseft's at Salford, ...aing's at Rochdale, Hammer...n's at Stockport, and a host ...f others of varying sizes. In ...e future there will be a grow...g number of superstores, ...pified by Irlam, which ...present a new method of ...alling which has arrived at ...time when the North West's ...roliferation of motorways must ...vour them.

Inevitably, Manchester has ...st some of its central trade to ...ese developments. It has also ...ffered from a traffic problem, ...ore imagined than real to ...me minds. Whether present ...edestrianisation plans will ...crease its attraction or simply ...rther hinder access is a hotly ...ebated issue.

What is certain is that the ...ew Arndale Centre represents ... mammoth effort to establish, ...r re-establish Manchester's ...opping as the best in the ...orth. Its size is on the heroic ...ale—a million square feet of ...opping space, with another ...0,000 square feet of retailing ... the adjacent Market Cross ...d Market Place developments, all three now under the Town and City Properties banner.

The funding of the scheme has suffered from the familiar problems of escalated building and finance costs, but on a scale suitable to the size. In the last four years it has run from the £26m.-£28m. mark to the present estimate of £41m. Prudential Assurance has now agreed to up its capital investment from £15m. to £24.5m. and the Manchester City Council, via the Manchester Mortgage Corporation (on whose money the developers pay the interest), from £13m. to £16.5m.

In agreeing to increase the city's investment, while having to accept an equity stake reduced from 25 per cent. to 22½ per cent. (though getting a rise from £50,000 a year to £100,000 in its ground rents as partial compensation), the chairmen of the Policy and Finance committees stated that the Council could not stand aside from a financial restructuring of the development, although the initial problems arose from the Prudential-Town and City agreements.

Importance

"It should be emphasised," said the chairmen, "that the Arndale Development remains financially viable because rack rents have increased at a faster rate than capital costs—from £2.5m. to £4.5m. per annum." And beside the financial considerations—one of these being that should the Prudential not complete the development, completion would fall to be carried out by the Council—the councillors saw the development as of "prime importance from the point of view of the city's economy and the maintenance of its role as the regional commercial and shopping centre."

Whether the office content of the scheme is now as important to the city as the shops is a debatable point. But the shops appear, in the first phase just opened, to stand a reasonable chance of reversing the declining retail attractions of Manchester (a decline which has been partly caused by the presence of a vast building site in the centre of the city for so long).

Most of the units in the section now opened are a proof of the elegance which covered centres can offer. And the interior comforts appeared, among the first waves of curious shoppers, to be dispelling some of the antipathy which the exterior finish has attracted. To hold its present rental values, however, the centre must perform not just well, but brilliantly, in the view of some local property men. £35,000 a year for a 36 feet frontage, 62 feet deep on the first floor (though this may be a better level than the ground) is an example, or £40,000 for a similar unit with more storage.

But there used, after all, to be a short area on Market Street where rents were second only to Oxford Street, London, and the gap between the two was small. If Manchester does not survive as a prime retail city, then few can. The question may be to what extent the size of the Town and City schemes robs the rest of the central area, particularly Deansgate, where Kendalls (House of Fraser) is the city's traditional quality department store, of its shopping attraction.

In a different way, Chester faces the same challenge of a changed retailing market. The Grosvenor-Laing precinct and the Forum development have both been successful. The question now being put to the Borough Council is whether Chester also needs a central superstore answer to the competition which is now reckoned to stretch as far as the Lewis's at Ellesmere Port or even the Winsford Finefare.

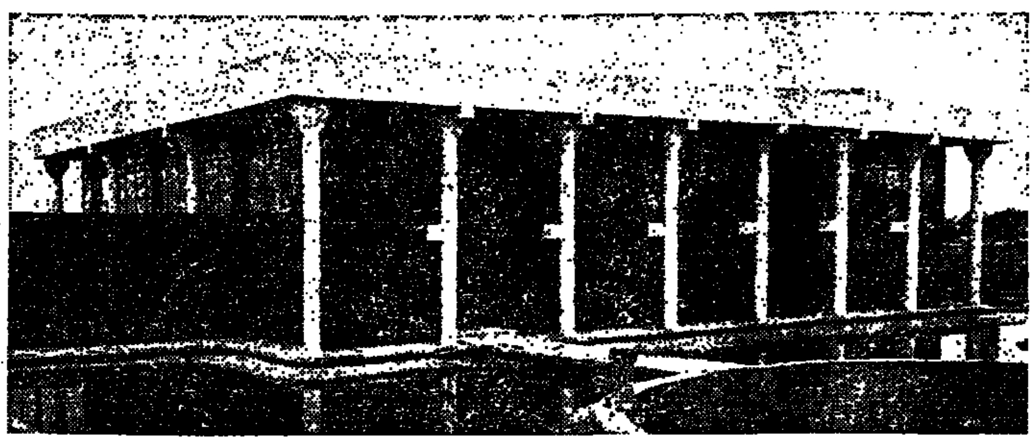
Arrowcroft Investments and the Muir Housing Association have submitted a joint planning application for a scheme which would end years of uncertainty about the Union Canal site to the rear of Foregate Street and Frodsham Street (it is close to the site where, despite Chester's fairly tight office policy, Whitbread Trafalgar Properties have just been granted planning permission for a 71,500 square feet office block). The previous developers on the site, backed by the Norwich Union, won approval two years ago for something much more ambitious, with 200,000 square feet of retailing and some housing.

The present application embraces simply a 100,000 square feet superstore, a mall from the Foregate Street with 14 shopping units, 60 residential units and parking for 1,000 cars. The argument for this type of scheme must be that the first plan, along with the hotel-conference complex, is simply not viable any longer.

With retailers prepared to put up all or part of the finance for such schemes in return for superstore approvals, the appearance of more such stores (particularly if one classifies this as anything 25,000 square feet plus) near city centres may be the pattern for those North Western centres with adequate back land still available. The arguments about genuine cost-saving for residents, which have now persuaded the Department of the Environment to cautiously welcome superstores, have always been more freely accepted by northern local authorities than by those in the south.

The Macclesfield town centre shopping site, currently being offered by the borough council, might in the past have been automatically a developer's site for a small shopping centre. Now the council, through agents Bernard Thorpe, are canvassing the planned 60,000 square feet ground floor accommodation direct to retailers.

On the current position of applications, appeals, permissions or existing units, the North West would appear to be heading for the country's highest total of superstores in the near future. How this influenecs its high streets, both old and redeveloped, will be a key question for property values.



Warrington New Town is attempting to create a new scientific campus at Birchwood Park. The scientific tie is strengthened by proximity to the United Kingdom Atomic Energy Authority and associated nuclear groups. The first occupant of the campus, in this unit, is Engineering Polymers, a subsidiary of GEC of the United States. Another 70,000 square feet of advance offices is being built for the summer of next year and the Development Corporation has approved construction of a further 50,000 square feet ready by 1978.

Surplus

CONTINUED FROM PREVIOUS PAGE

square feet of vaults and on the commercial space the rent equates to around £6.50 for the banking hall and £3.50 for the offices. The investment value was also impressive, Hammerson being able, with a guarantee on letting the upper space, to get over £3m., equivalent to a yield of close to 6 per cent., from Equitable Life.

A list of the better space now or soon available would include 1, Portland Street, a 56,000 sq. ft. block overlooking Piccadilly Gardens, the 60,000 sq. ft. Centurion House in Deansgate, the new NatWest development (so far without an official name), the curiously sited Midland House of 49,000 sq. ft. in Mount Street, and Maybrook House opposite the 28,000 sq. ft. Royce House, among the first completed bits of the former Central and District Market Place scheme.

But this ignores the rest of Town and City's Manchester headache. With two giant buildings available within the Mancunian Way, the one big space user to sign up recently, the Greater Manchester Police Authority, found itself for varying reasons unsuited to both the Arndale Tower and Victory House. Instead it leased the 112,500 sq. ft. Chester House in Stretford and bought the land next door on which to build another 100,000 sq. ft.

Apart from the present surplus, Manchester's longer-term decisions must be aimed at preserving the attractions of the central area—the logic of its participation in the Arndale scheme is part of this. One hotly debated point is the traffic policy (Victory House being a case of a 200,000 sq. ft. office block with parking allowed for 20, and they would have to be well parked Minis). There is, in fact, adequate parking nearby around the station area, but with some of the more central blocks the problem could become acute.

The authorities' sensitivity to traffic problems, especially after the shelving of the underground scheme, is hard for a Londoner to appreciate (or equally someone commuting into Bristol from the East) but would be more sympathetically received if a little more care and money had been devoted to making the present pedestrian areas more attractive.

Another problem, as much to do with amenities as the property market, is the fate of some of the imposing, and often listed, Victorian buildings. The viability of private refurbishing has declined. The former Lyon warehouse conversion at 35-47 Portland Street is an appropriate reminder of the issue of the GMC County Hall next door

To concentrate on the Manchester office market is not to ignore the oversupply which also exists in some of its suburbs. In Stretford, there was 440,000 square feet available until recently, almost all of it in three buildings (one of them the police's Chester House). However the take-up, even in this less favoured area, has proved fairly steady over the years, and in the favoured residential areas like Wilmslow, rents of around £3 a square foot have been substantiated recently when city centre space has been going for less.

Reorganisation

A key building may be the Francis Parker development let to the British Steel Corporation in 1974 at what is still probably the highest suburban rent level of £3.20 a square foot. BSC is now dispersing its staff there following reorganisation and whether it can assign its lease on 18,700 square feet at £60,000 a year will be interesting. Another Wilmslow reminder of the boom market is the former Wallpaper Manufacturers Association building, which went for £580,000 at auction, with another £20,000 added when resold, and which is now being offered at around £250,000 with permission to increase the present space to 45,000 square feet of offices.

Such drops in value emphasise the problems of speculative development which, Liverpool has notably avoided, the fine new Royal Insurance building and the Littlewoods offices being two of the recent examples of owner-occupier development. Indeed there are those who argue that the authorities tight rein on planning permissions has has left the city with too little available space to attract footloose businesses. The first phase of Legal and General's Silkhouse Court scheme has shown the demand for central space.

Further afield, even the larger schemes appear to be letting up in newly established office centres. In Bootle, the 234,000 sq. ft. Triad Centre is progressively attracting more public sector tenants to join the estimated 8,000 who will work for the Inland Revenue at the 600,000 sq. ft. St. Johns House. The reputation of the region for clerical workers would appear to ensure a continuing relocation of private sector business even if the largest public sector relocations have been settled for the moment.

BOOKS

Master printer

BY C. P. SNOW

William Caxton: A Quincentenary Biography of England's First Printer by George D. Painter, Chatto and Windus £7.50. 227 pages

George Painter's biography of Proust has earned him devoted admiration all over Europe. Even so, he has had less than he deserves. Surviving acquaintances of Proust, especially in France, felt that they ought to be the supreme authorities, and the French reception was, at the beginning, grudging. That has now adjusted itself, and the reputation of those two volumes is somewhere near what it ought to be. Painter's Proust is a magnificent achievement romantic, imaginative, a creative work in its own right. It is going to surprise some of his European admirers to find him now producing a professional study of an English printer.

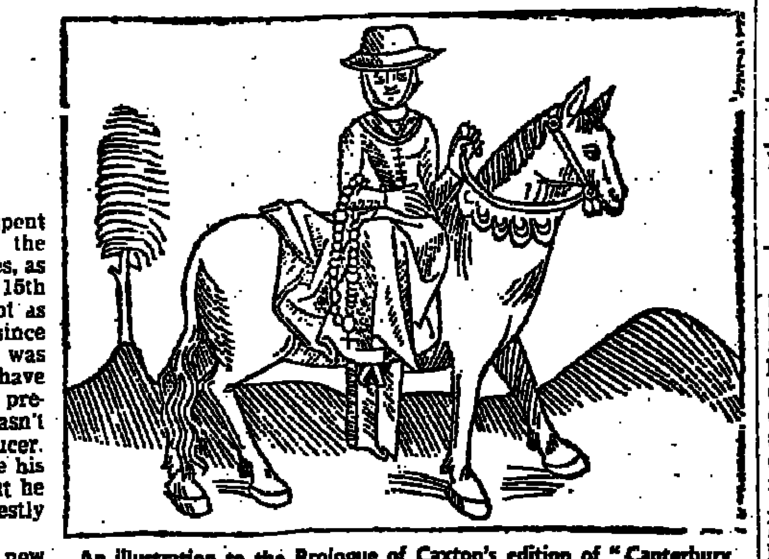
In Painter's own country we knew that there is nothing surprising about it. The intuitive and eloquent interpretations in his Proust are built on a base of utterly exact and scrupulous scholarship. Painter has been a working scholar nearly all his life, and has earned his living in that fashion. It happens that fifteenth century printing is one of his special subjects. For twenty years he was in charge of the national collection of fifteenth century printed books in the British Library, which contains, not unnaturally, since Caxton was the great English progenitor, the finest assembly of Caxton editions in the world.

Hence Painter's quincentenary tribute. Caxton had printed the first books in English, the *Recuyell of the Histories of Troy* and the *Game of Chess* (which wasn't a manual of instruction) round 1473 and 1474 in Bruges. Then he set up shop (literally) in the precincts of Westminster Abbey almost precisely five hundred years ago, in the autumn of 1476. He was in his middle fifties. All the history of the spread of printing in Europe—the Chinese had been printing editions of 3,000 copies under the Sung dynasty in the eleventh century, and also pamphlets of advice on how to use their National Health Service—is very interesting. So, though those as ignorant as I am will have to take this on trust, are Painter's analyses of Caxton's typography. Fellow ignoramuses needn't lose heart. This wouldn't be a book by Painter if it weren't lit up by his insight, at the same time luminous, inquisitive and realistic.

He has dug up all that is likely ever to be known about Caxton, and had made historical and psychological sense of him. Caxton (apparently pronounced something like Cawston) spent most of his middle life in the Low Countries, mainly Bruges, as a cloth merchant. Late 15th century Englishmen were not as provincial as we have since become; Caxton's French was excellent, and he would have been easy in Flemish and presumably in German. He wasn't as well born as his hero Chaucer, whose *Canterbury Tales* were his great publishing triumph, but he was, with intermissions, modestly prosperous.

Import controls are not a new conception; and the Burgundian administration tried to keep out the English cloth which had become our most profitable export (witness the East Anglian churches). Caxton, as he became recognised as the senior English merchant in Bruges, was used in trade-cum-diplomatic missions. Political life in England was turbulent, and he had attached himself to the Yorkists. He had his vicissitudes, but he was a shrewd, tough and worldly man, and survived.

He was also cultivated, by necessity self-cultivated, and liked books. This isn't a necessity for an aspiring publisher but in his case it was. He was obviously attracted by the commercial possibilities of this new technology of printing. It was the TV of the late fifteenth century. But, from close readings of the Prologues and Epilogues which Caxton wrote himself as a feature of his publications, Painter persuades us that he had real literary feeling and devotion. Other scholars regard these bits of writing as nothing much more than exercises in the mock-humble conventions of the day. One suspects that Painter's view is the right one, and one wants to believe so.



An illustration to the Prologue of Caxton's edition of "Canterbury Tales" (1483)

His Caxton is an entirely likeable and sympathetic figure, business-like, humorous, experienced, capable of artistic joy. Did he live in comfort beside the Abbey? We don't know. His will can't be traced. Most of his books were translations from French or Latin which he made himself, and he went on translating to the end.

Until I read Painter, I have thought, stupidly, that he printed with is own hands. Not so, Painter says, in a characteristic passage;

> ". . . neither Caxton nor any other fifteenth century publisher printer would be at all likely to take any physical or manual part in the production of his books. Printing was the work of compositors and pressmen. If Caxton himself ever did a hand's turn at the press or composed a few lines of type, it was doubtless in the style of the manager of the Grand Hotel at Balbec in Proust, on the day when 'with sacerdotal majesty' and with all his staff gathering round him to admire, he 'carved the turkey poults himself'."

Appropriately, this book on Caxton is, as a physical object, a delight both to look at and to handle.

LBJ at home

BY DAVID BUCHAN

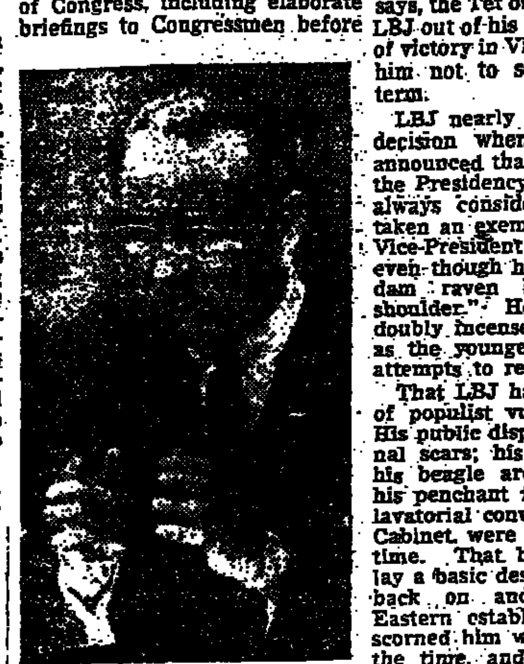
Lyndon Johnson and the American Dream by Doris Kearns. André Deutsch, £6.95. 432 pages

Back in Texas after his retirement Lyndon Johnson made a habit of keeping tabs on the attendance figures and the car licence plates (to see how many different states his admirers came from) at his birthplace and at the LBJ Library. It was part of his search for hints as to his fate at the hands of posterity. An ogre to many in his lifetime, he was always worried about how historians, the Eastern Establishment and what he collectively called the "Harvards" would treat him after he was dead.

Ms Doris Kearns is a "Harvard": more to the point, she worked at the LBJ White House and later down at the ranch, helping with his memoirs, became a close confidante. As such she was the recipient of 12 electric toothbrushes, and during his latter days many of LBJ's hangups and outpourings. With LBJ on her couch, Ms Kearns has written a kind of long "psycho-essay". "I want the reader to know LBJ emotionally," she says in her introduction. In large part she succeeds—despite the fact that her technique is sometimes trite and some of LBJ's dreams are too ridiculously well reconstructed to be believable.

LBJ's yen for the wheeling and dealing of politics needs little explanation—though Ms Kearns gives copious reasons. It stems straight from a long southern tradition. From university, to the House of Representatives, to the Senate, LBJ finely honed this skill. The Senate, an institution where like a Greek play most of the action takes place offstage, suited exactly his facility for dealing with individuals and his woodenness in performing before larger audiences.

After President Kennedy's death, these skills were, as Ms Kearns describes, used to great effect to get through Congress the laws that came to be known collectively and somewhat portentously as the Great Society programme. Careful softening up of Congress, including elaborate briefings to Congressmen before



LBJ—"hangups and outpourings"

important legislative pro[...] were unveiled, was the [...] Interestingly, LBJ cons[...] that this close co-ope[...] approached the British sys[...] blending the executive and [...] lative branches of governn[...]

LBJ valued pragmatism [...] supreme political virtue, [...] however take a principled [...] on civil rights—something [...] Ms Kearns singles out for [...] But she also records his [...] bitterness at being rewar[...] the black riots that seer[...] punctuate every summer [...] Presidency. Of course, it v[...] ever-increasing swell of do[...] opposition to his Vietnam [...] that thrust the iron into [...] soul. It was only, Ms [...] says, the Tet offensive that [...] LBJ out of his zombie-like [...] of victory in Vietnam and [...] him not to seek a seco[...] term.

LBJ nearly went back [...] decision when Bobby K[...] announced that he would [...] the Presidency in 1968. L[...] always considered that [...] taken an exemplary back [...] Vice-President to Jack K[...] even though he felt "like [...] dam raven looking ov[...] shoulder." He was th[...] doubly incensed at what [...] as the younger brother's [...] attempts to reclaim the t[...]

That LBJ had a strong [...] of populist vulgarity is [...] His public display of his [...] nal scars; his habit of [...] his beagle around by it[...] his penchant for nude di[...] lavatorial conversations w[...] Cabinet, were all reported [...] time. That behind this [...] lay a basic desire to get [...] back on and embarra[...] Eastern establishment th[...] scorned him was not so [...] the time, and is now w[...] scribed for us by Ms Ke[...]

Fiction

Pacific pleasures

BY MARTIN SEYMOUR-SMITH

Queen Emma by Geoffrey Dutton. Macmillan. £3.95. 285 pages

The Race by Kare Holt. Translated from the Norwegian by Joan Tate. Michael Joseph, £4.00. 256 pages

Echoes from the Macabre, Selected Stories by Daphne du Maurier. Gollancz, £4.50. 348 pages

Strawberry Boy by Jennifer Dawson. Quartet, £3.95. 184 pages

The Butterfly Ward by Margaret Gibson Gilboord. Dennis Dobson, £3.50. 133 pages

Thirteen by Eva Jones. Bachman and Turner, £3.95. 162 pages

Geoffrey Dutton, a well known Australian writer — poet biographer, novelist, critic—whose 26th book this is, has chosen as subject for his new historical novel a legendary figure: Queen Emma, the Samoan-American who, beautiful, promiscuous and a commercial genius, built up a Pacific trading empire in the latter part of the 19th century and the earlier part of this. Born in 1850, she died mysteriously in Monte Carlo in 1913.

Margaret Mead, whose help the author acknowledges, is the most famous writer to have given an account of her. Mr. Dutton has taken a sensational subject and treated it in a sensational manner, telling his story from many points of view. But he has remained as true to history as circumstances permit, and his skill at evoking so many varied settings is impressive. If the novel seems somewhat over-dramatic, then one must remember that the events on which it is based were dramatic, and that those who recount them (in narrative, in diaries and in letters) would no doubt have seen them in that way.

This is at the least an efficient and exciting historical novel, and it comes near to doing justice to one of the most remarkable women of the last century.

Kare Holt, a Norwegian novelist (born in 1917) who has built up a considerable reputation in his own country as a versatile and complex technician, is introduced to this country (unless I have missed an earlier translation) with a novel that appears to be the essence of simplicity. But this story of the tragic race between Amundsen and Scott for the South Pole is told with laconic mastery that makes it the best book I have read, fiction or non-fiction, on any aspect of this subject. The author's selection from his material heightens his narrative to a sometimes agonising pitch: and his revelation of Amundsen's character—of the motives for his pretence, for example, that he was going to the North Pole—is profound. This fine novel leads one to hope that Holt's two trilogies, one about the origins of the trades union in Norway, the other set in medieval times, will soon find their way into translation.

I have always found Daphne du Maurier at her best in the realm of the macabre (Hitchcock took memorable advantage of her skill with "The Birds," included in this volume); perhaps this is because I am prejudiced against romantic novels (or perhaps romanatic novels are usually bad). But few will quarrel with this selection of eight of her best stories in this genre: their entertainment value is indisputable, and "The Pool" arguably carries more weight than mere entertainment.

The next three novels are all about various sorts of mental illness, blood, despair and the demonic. Jennifer Dawson's *Strawberry Boy*, being the least sensational and the most restrained, is the best of them, and recalls her remarkable debut, *The Ha-Ha*. At heart it is an indictment of, as well as a satire on, complacent bureaucracy. This is a well-worn theme, and rightly enough; but Jennifer Dawson adds a new dimension to the usual complaints by her razor-sharp assaults upon the mentality of those who presume to know how our lives should be run, and who know so exactly what our needs are.

No one is spared here; but, equally, no one is diminished in the course of an angry book. The liberal Olsens really are liberal — even if they are ineffectual. The "token" Negro is neither heroised nor idealised: here the predicament of a "white man's black man" is truthfully and painfully explored. We can even feel sympathy for the composer who hates everyone and is a concealed racist: what has led him into his near-psychotic unhappiness is exposed. Atmosphere and dissolution of minds into hysteria are described with lucidity and feeling. A terse and ultimately compassionate novel which pulls no punches and which shows a marked gift for the telling phrase.

Margaret Gibson Gilboord is a Canadian who seems to have had the ambition to turn the sick (though moving) poetic vision of the late Sylvia Plath into prose. These six stories are about madness, although whether, as the publisher claims, they go so far as to "compel the reader to come to terms" with its "reality" is at the least an open question. The Canadian publisher is the Oberon Press, which has been using Dennis Dobson as an English outlet for some years. However, Margaret Gilboord writes well, and is in no way pretentious. The notion that *all* those suffering from mental illness are in fact sane has recently become fashionable: it is a dangerous myth, as many highly intelligent people who have suffered from mental illness will testify.

But Miss Gilboord is not really doing quite what the short blurb says she is doing: she is not showing a knowledge of the "essential sanity" of her characters, she is rather penetrating into the nature of their illness. And at times she does this well.

Thirteen, about a demonic although innocent 13-year old, is by a German Jewish woman who, before marrying and settling in Britain led a scarifying existence fleeing from the Nazis and spending time in prisons in France and Spain. The material is intelligently treated, and the character of the problematic Evalore is well understood; but the quality of the writing is disappointing: stacatto and failing to do justice to the author's insight. A large proportion of the narrative is in stream-of-consciousness style — but the type of stream of consciousness used is that in which conventional realism is extended. Here at least, one feels, resort to the image should have made, in order to capture the essence of a disturbed mind. It is all too obvious that a girl such as Evalore would not think or perceive in the way described: Mrs Jones' methods don't do credit to the scope of her awareness.

Holy writ again

BY ANTHONY CURTIS

The huge body of writing we call "The Bible" is so rich in meaning that no single translation will ever do it full justice. Since the publication of *The New English Bible* more than a decade ago the work of retranslation and chronological reappraisal has continued unabated. The Jerusalem Bible—so called because of its dependence on the work of the School of Biblical Studies in Jerusalem—was first published in English in 1966, and last year it was used as the text for a most interesting volume. *The Bible in Order* edited by Joseph Rhymer (Darton Longman and Todd, £15.00) in which the attempt is made to arrange all the writings of the Bible in the order in which they were written—a very different order from the one to which we are accustomed.

This week sees the publication in England of both the Old and New Testaments in a complete new translation, the *Good News Bible* from Collins/Fontana with the Bible Societies (£2.95 hardback, £1.50 paperback). This version of the Bible aims to offer instant clarity of meaning, even for the reader whose first language is not English. Maps, word-lists and a historical chart are further aids to comprehension provided and the text is broken up with line-drawings by a Swiss artist, Annie Vallotton; some of these may seem pointless but they are certainly not offensive.

Obviously such a translation will be at its weakest where the original is at its most poetic, as for example in the Psalms. Compare the opening of Psalm 23 "The Lord is my shepherd; I shall not want." (King James's Bible) with "The Lord is my shepherd; I have everything I need." (Good News Bible). Again, in the Gospel the warning that you cannot serve "God and Mammon" is more powerful than substitution of the easy word "money" for "Mammon." But perhaps both the virtues and the weaknesses of this latest translation may be briefly illustrated by quoting how it copes with one of the most difficult and famous of all passages, the opening of the Gospel according to John:

> Before the world was created the Word already existed: he was with God, and he was the same as God. From the very beginning the Word was with God. Through him God made all things; not one thing in all creation was made without him.

Compare that with the same passage in the NEB:

> When all things began, the Word already was. The Word dwelt with God, and what God was, the Word was. The Word, then, was with God at the beginning, and through him all things came to be; no single thing was created without him.

The debate about the relative merits of these versions will continue for a long time. The New Testament part of the *Good News Bible* in fact first appeared ten years ago and since then it has sold 50m. copies worldwide: that it does fulfil a need cannot therefore be disputed.

Fatal contact

BY BRIAN AGER

Death Race: Le Mans 1955 by Mark Kahn. Barrie and Jenkins. £3.95, 158 pages.

Anyone who is seen laughing while reading this book risks being labelled as a ghoul. But, in spite of its title, parts of it are funny. For much of *Death Race* is taken up with biography of the three people involved in the accident which caused the greatest disaster in motor racing history. And at this time playboys reigned in the sport.

Mark Kahn describes this era well in a long chapter about Lance Macklin, takes a sympathetic look at Mike Hawthorn (the target of Press campaigns because he was not called up for military service), and then tackles the mysterious Pierre Levegh—the only driver among the 82 who died in the tragedy.

Without these biograp[...] book would have bee[...] slimmer. For the facts [...] accident are simple. H[...] passed Macklin and then [...] Macklin had to change [...] rapidly and Levegh, cha[...] behind them, hit Mackl[...] and was launched into th[...] This is the first time th[...] lin's side of the story h[...] published. Otherwise [...] little new.

For the lessons of [...] have been well learnt. T[...] out the world track sa[...] been improved—but a[...] points out motor racing [...] be made absolutely sa[...] was, fewer people wo[...] watch racing—just [...] people would buy this [...] was called "The Lance [...] Story" instead of *Deat[...]*

Last Christie

BY WILLIAM WEAVER

Sleeping Murder by Agatha Christie. Collins, £3.50. 224 pages

Young, recently - married Gwenda Reed arrives in England from New Zealand. Her husband is to join her later, and meanwhile she looks for—and finds—a house for them to settle in. At first, it seems the ideal place; but then odd little things begin to happen, and Gwenda understandably starts having some doubts about her sanity. She takes refuge in London with relatives of her husband, the novelist Raymond West and his wife, whose other house-guest is Raymond's dear old aunt, Miss Jane Marple.

From then on, the novel follows its expectable (but not predictable) course. Gwenda goes back to her house. Her husband joins her, and Miss Marple just happens—on purpose—to show up in the neighbourhood. The basic murder is in the past, but it has left its mark on living people, and Miss Marple gradually uncovers the wickedness at the root.

This is the late Dame Agatha at her best, mingling the wildest horror with the most apparently normal, apparently trivial, domesticity: matters of gardening and wall-paper, servants and cups of tea. It is sad to think that this posthumous novel will be the last (one can only hope that the bank vault from which this book and *Curtain* were produced will yield still further treasure); but if there are to be no more, then *Sleeping Murder* is a fine conclusion, worthy of its most distinguished and enjoyable predecessors.

Agatha Christie—one from the safe

Mystery of the Maid

BY T. C. WORSLEY

Joan of Arc by Edward Lucie-Smith Allen Lane. £7.50, 324 pages

In his preface to this biography of St. Joan, Mr. Lucie-Smith forestalls our question, why yet another book to add to the scores of others that have treated her life and martyrdom. All his predecessors in the field, he claims, have had a theory to propound or an explanation to offer. He will begin with no theory and end with none. He will simply present her as a woman of her times:

> "an extraordinary woman, living, suffering, developing My Joan is perhaps less admirable than the Joan who is to be found in most of the modern literature. She is intensely arrogant, violent (but afraid of her own violence) and not always truthful. She is the prisoner of an obsession or of a group of obsessions. At the same time she has moments—and more than moments of ordinary human fear, self-doubt and depression ."

This is all very well but the absence of a theory or an explanation leaves us only with an enigma.

A girl of the fifteenth century is more than merely extraordinary who leaves a tiny rural village, dressed as a man astride a horse, hearing voices which tell her to break the siege of Orleans which the professional soldiers have failed to do in months, and then to lead the Dauphin to Rheims to have him crowned there as King: and who succeeds in both these tasks hitherto thought impossible.

It is true that our century has shown us women no less extraordinarily brave and intransigent, in the heroines of the Resistance. But in the fifteenth century, the more wearing by a woman of men's clothes was a virtual heresy in itself and to get herself accepted by the generals and nobles of the time in spite of her trousers and *surtout* was a minor miracle. It was to count against her heavily, even finally, at her trial, but there her judges were churchmen and pedants, not the aristocrats and courtiers whom she miraculously persuaded to accept, and even obey, her.

This passion for men's clothes already makes her suspect and, then, Mr. Lucie-Smith tells us what the dramatists seemed to have missed, that once accepted by the court she wanted and got not merely men's clothes, but the luxurious garments favoured by the bright young sprigs around the Dauphin. Mr. Lucie-Smith denies that she was a Lesbian, but surely there is a sign of Lesbian narcissism, if nothing more.

Mr. Lucie-Smith is particularly good at unravelling the complications of her battles (with very helpful maps too). Then he always has in mind the accusations which are going to be made against her and reminds us of them as we move forward through her life. But the trial itself comes as something of an anti-climax: partly just because of this preparation worked into his text. But mostly, I think, it is because one misses the dramatisation which Shaw for instance gives us.

I remain at the end a little surprised that Mr. Lucie-Smith should have chosen the Maid as his subject for a biography without having anything special to add to the well known story. But his book has many negative virtues. It is not sentimental, not over-dramatised, not potty (which the subject tempts writers into being) It is well and readably written, and the mass of material is handled lightly and adeptly.

Dirty linen

BY DEBORAH PICKERING

The Day the Laughter Stopped by David A. Yallop. Hodder and Stoughton, £5.95. 350 pages

Roscoe "Fatty" Arbuckle, born in a sod hut in Kansas in 1887, rose to the heights of a multi-million dollar career and in 1921, when the Jazz Age the Roaring Twenties and Prohibition had begun, he was considered to be one of the world's funniest and most successful comedians. In September of that year on a sunny afternoon in the St. Francis Hotel, San Francisco, Arbuckle played host at a boisterous party whose enthusiastic guests included an aspiring but little-known film actress, Virginia Rappe (pronounced wrap-pay). A week later, Rappe lay dead and Arbuckle had been charged with rape and murder . . . it was the beginning of the end of Arbuckle's public and professional life and the start of a massive motion picture industry clean-up, with the fat comedian . . the broom

It was some party . . . bootleg liquor was smuggled into the hotel followed by prominent San Francisco citizens, showgirls, the hotel's chef and at least five waiters—numerous bellboys were in and out of Arbuckle's suite all afternoon with endless orders for crushed ice and orange juice essential for the bootleg gin. Virginia Rappe, after three glasses of "orange blossoms" felt like dancing and Arbuckle ordered a gramophone. Soon they were playing popular songs of the day: "Second Hand Rose," "Three O'Clock in the Morning," "On the Gin Gin Ginny Shore," and others.

The liquor was having an effect on Virginia, who began to confide in the sympathetic Arbuckle. She told him her lover was reluctant to legalise their relationship, that she was broke, had not worked for two years and all she owned in the world were the clothes she almost managed to stand up in. Arbuckle began to smell the whiff of loan-seeking. He was known as an easy touch, not common in rich men, and he assured her that he would give her some money before she left the party. "Then she dropped the bombshell: it wasn't just a few dollars she needed: it was a great deal of money. She was pregnant and she was sick. She needed money to have an abortion, and she wanted the abortion as soon as possible. Illegal abortions, even in an open city like San Francisco, were expensive in 1921, over $2,000 at least."

Arbuckle was shocked and tried to persuade her to have the child and press her lover to marry her, but Virginia was adamant. The comedian said he never carried large sums of money with him but if she contacted him when he got back to Los Angeles he would see what he could do. Whether he intended to give her money or was just playing for time nobody will ever know . . . events were about to take the problem out of his hands.

Four days later, and almost to the first moment that she had entered Arbuckle's suite in the St. Francis Hotel, Virginia Rappe died in the arms of her friend at Wakefield Sanatorium—a maternity hospital. There, a Dr. Rumwell performed an illegal post mortem. "Why?" the author asks. "Was an illegal post mortem an attempt to cover up an illegal abortion? We will never know. The forces of justice that would be so intent on proving Roscoe (Arbuckle) guilty of murder did not at any time investigate the medical malpractice on Virginia Rappe—the malpractice which I am convinced caused her death."

The rest is Hollywood and newspaper cuttings history. The Hearst press adopted an attitude towards the case that was criminally irresponsible—William Randolph boasted that he sold more newspapers reporting the event than he had since America entered the first world war or, as Buster Keaton overheard him say, since the *Lusitania* went down. Hollywood, America and the film-going world buzzed with the scandal and so were laid down the rumours that, despite Arbuckle's three trials and subsequent acquittal and vindication, persist to this day.

I never saw a Fatty Arbuckle film—nor am I likely to now outside a private cinema club—so many prints were destroyed after a world-wide ban on his movies, but as a schoolgirl I can remember the stonewalling from adults when I and my contemporaries asked about the Arbuckle affair. We, gigglingly, deduced that an unknown actress had died from a fate worse than death . . . not just rape, but rape by a monster whose sexual appendage was as outstanding as the physical bulk which had earned him his obvious nickname. I blush with shame as must do many others who remember the legend but not the legal and historical facts of the comedian's acquittal.

David Yallop has written an emotive story with a passionate exploration of facts and fantasy. His knife-edge research has chopped through the guff and glut of the Hollywood jungle of the twenties from which censorship was born. It is a tragedy that the amiable, gentlemanly fat guy had to be the sad scapegoat of that brutally brittle era.

The Management Page

EDITED BY JOHN ELLIOTT

Leyland Cars is at the forefront of moves towards increased industrial democracy and last week used its participation committee to win productivity commitments from shop stewards. **Arthur Smith** reports from Birmingham on how the system works at Longbridge where the Mini will be made

Mr. Derek Wh[illegible]

A first step in participation

TO MANY observers [illegible] ultima[illegible] delivered to 18,000 manual workers [illegible]bridge last week by Leyla[illegible] man[illegible] director, Mr. Whit[illegible] to [illegible] turn to the sort of confro[illegible] tactics which have bedevil[illegible] motor industry for decad[illegible]. The threat th[illegible] the workers fell into [illegible] and gave complete commit[illegible] produc[illegible] tivity targets fo[illegible] planned new Mini, some [illegible]00 jobs would be at risk [illegible] to bear the mark of the [illegible]ard management. The gr[illegible]pes held out for worker p[illegible]tion as a way to engender [illegible] spirit of co-operation wit[illegible] industry appeared to ha[illegible] dashed. But for all th[illegible] words, that is not the [illegible] position is viewed from [illegible]idge, and certainly not t[illegible] the eyes of the plant's [illegible]ful works convenor, Mr. [illegible] Robinson. A soft speak[illegible] Brummie" and a Commun[illegible]y member since 1951, [illegible]misses the altercation w[illegible]mile and a slight shrug o[illegible]ulders. He describes the participation scheme as "one of the greatest advances" in his 35 years in the industry and, from his political vantagepoint, underlines the opportunities for "the worker to acquire the skills to take over the management function."

The scheme is operated through an elaborate three-tier participation structure which was recommended by Lord Ryder in his 10-year Leyland plan. It was brought into operation from January this year. But there was a great deal of advance preparation before that when management and unions agreed on suitable courses for acquainting shop stewards with management tools and planning techniques.

Interpret

"By the time of the first car council meeting on January 25 we were able to interpret the information and communicate in management terms," claims Mr. Robinson who is the union spokesman on the council at the top tier of the structure.

The base of the structure is made up of more than 30 plant level joint management/union committees. From these committees, the shop stewards elect representatives to middle-level divisional joint committees covering the car factories' power train, body and assembly, and service parts plants. In turn the divisional bodies send 15 stewards to the car council which is chaired by Dr. Whittaker, the chief executive.

Fundamental to the Leyland scheme is that management retains the ultimate right to take all decisions. The participation structure is designed to allow the workforce to contribute to problem solving and the formation of future plans but is precluded from negotiations and co-determination. The joint management/union committees exist alongside, but are completely separate from, the normal negotiating machinery.

At Longbridge, in common with many other plants, it has been felt necessary to introduce a fourth bottom tier of consultation which was an option in the Ryder report. This additional layer, designed to create greater shop floor involvement, is achieved by setting up joint management committees within the plants based on particular departments or shops. To broaden the involvement of union representatives, stewards elected at this level are not, however, allowed to stand for the other three tiers.

Mr. Robinson takes the new Mini project, code-named ADO 88, as perhaps the best illustration of how the participation scheme is working.

At the outset Leyland revealed in complete confidence to the stewards on the car council the commercial details of the ten-year strategy, complete with planned model range and levels of investment. By the end of April this year, Mr. Robinson says, the car council began to get involved with the ADO 88 when a "concept paper" was presented. The appearance and details of the new model had already been fixed. "What sort of model is produced cannot be decided by committee. One man takes that decision—Derek Whittaker."

The car council decided to set up a special sub-committee to examine the alternative methods by which the new model could be manufactured. "Instead of waiting for the planning committee—composed of the professional specialists on machinery, production techniques, and methods of work—to finalise their proposals, we decided to sit down with them and work out the alternatives."

The sub-committee, with four trade union and four senior management representatives, held about ten weekly meetings which usually lasted all day and sometimes stretched over for two days. "At first both sides were a bit nervous because of preconceived ideas. They were obviously a bit worried that we were adopting negotiating positions, but very gradually this changed and we got down to the real meat of the problem," says Mr. Robinson.

The sessions marked something of an innovation in production planning and must have proved an arduous exercise for the experts. "We would not accept facts and figures at face value. They had to produce them to our satisfaction and justify them."

"We broke down the whole process of manufacture into its constituent processes and sought the best solutions. We acquired a great deal of knowledge about production and because of that were able to make informed decisions."

Mr. Robinson cites the investment limits set by the National Enterprise Board as the sort of problem which confronted the sub-committee. The first project discussed was found to be "way out of budget" because the production floorspace allocated would have proved prohibitive. Instead the committee had to examine an alternative layout.

Mr. Robinson is confident that the new technology plus the high level of automation to be introduced in the proposed new plant should enable Leyland significantly to raise productivity to compete with the models of rival companies at home and abroad.

A Longbridge assembly line

Having agreed on the objectives and methods of production, the sub-committee was ready to report back to the car council, but first the four union representatives held a separate meeting with their 11 fellow stewards on the council to ensure they were united on the project.

The council pledged itself to the scheme and decided to seek full commitment to the concept from the five plants which will be responsible for the manufacture of the *new Mini—Longbridge*, Castle Bromwich, Swindon, and two factories at Llanelli.

In mid-September union and management representatives from the car council visited the plants to give a full presentation to both the participation and negotiating bodies and outlined what the new project would involve.

By September 29 all the factories, with the notable exception of the 18,000 manual workers at Longbridge, had given their support. On the following day, a Friday, Lord Ryder, as chairman of the NEB, declared that, without the commitment from Longbridge, the ADO 88 could not go ahead. In the following week came Mr. Whittaker's ultimatum and the eventual four-to-one vote by the manual workers in favour of the project.

Neither Leyland nor the unions are prepared to divulge what the productivity targets demanded involve. But it seems likely that the men were required to commit themselves to a specific figure of how many man-hours would be required to produce each vehicle.

Mr. Robinson maintains that the initial reluctance of the Longbridge workers to do this stemmed not from militancy but simply from the tradition that major production changes can only be instituted after full negotiation and agreement. He insists that the insertion of such *a precondition to the general* resolution about commitment was sufficient to swing the vote, and that Mr. Whittaker's ultimatum was largely irrelevant.

The mid-September presentation by the car council was the first time that detailed information on the ADO 88 had been fed into the participation process at plant level.

However, Mr. Robinson points out that in July Leyland Cars' overall four-year plan was presented by the car council at specially convened meetings at all levels of participation committees. In the same month the first of the scheduled half-yearly conferences of the participation committees was held at Longbridge. Nearly 700 people representing the three tiers *attended to discuss progress over* the previous six months.

Though the participation committees within the plants had not been involved with the ADO 88, they had been meeting on a regular basis to provide a two way flow of information about the problems that affected the particular department and how they could be rectified.

But it is at the next stage of participation on the new Mini project that the plant level joint management committees will prove their merit—or otherwise, according to Mr. Robinson.

At Longbridge, the pattern established by the cars council is being followed and a sub-committee has been set up to investigate the next stage of the project in depth. Stewards have been drawn from each of the fourth tier units and from the plant committee to form a body of eight members who, together with management representatives, will act much like a Commons select committee. They will be able to request shop floor workers or management to give information and will be free to travel abroad if necessary to examine production methods.

Initiative

The sub-committee will report to the plant joint management committee which, according to Mr. Robinson, will decide when it is necessary to sound out shop floor opinion more widely. *Significantly this* initiative will rest with the unions to decide when to transfer discussions from the participation machinery to direct negotiation. Introduction of the new production line is probably still three years away, however, so it seems unlikely that talks will begin to switch to the negotiating process until perhaps the middle of next year

The sort of issues with which the plant level participation committees will be grappling will be fundamental to the working environment of the labour force. They will be discussing factors such as the layout of machinery, materials handling, shift periods, and the whole production process as it affects particular departments.

More than that, Mr. Robinson believes that the exercise will present the opportunity to introduce work practices which will help to lift the monotony and boredom for which car factories are notorious. The possibility of job rotation, increasing the skill content of operations and extending the time cycle will all be explored.

Mr. Derek Robinson

He is conscious that a gulf could grow up between the shop floor and those stewards on the participation committees—who could come to be regarded as management men. But he insists that this danger has so far been avoided. "It is a question of credibility. At the moment we are in a period of transition and it remains to be seen how participation develops."

The Leyland cars project comes up for review by all the trade unions in January next year but Mr. Robinson believes there will be few demands for change. "I think we are going to have to let it run for a couple of years to give it a chance."

In the longer term he suggests that unions will begin to call for the right to veto management appointments but such reforms would be achieved by negotiation with the Government.

"I don't see participation as the be all and end all but a step into the future. It is a process of involving more and more people into the process of management. By acquiring that knowledge we are able to challenge them and more than that we would be able to run the system should the need arise."

Big rise in company lawyers' salaries

THE AVERAGE salaries of lawyers working within industry in the year to July, 1976, increased by amounts generally exceeding the £6 a week pay limit in force in the period, according to a survey published yesterday. The explanation for this appears to be the mobility of lawyers who, particularly in the 25 to 40 age group, tend to move jobs fairly rapidly to achieve advancement in their profession.

The survey was carried out by a recruitment agency, Chambers and Partners, and covered 229 qualified lawyers employed in finance, commerce and industry. The sample included both barristers and solicitors of both sexes between the ages of 25 and 55.

The average salary of a legal assistant—described as a lawyer in a senior position but with no legally qualified staff responsible to him—rose by 15.7 per cent., or £843 a year, in the 25 to 29 age group, by 12.5 per cent. or £878 in the 30-34 age group and by 11.8 per cent. or £897 in the 35 to 39 age group. However, there was then a sharp reduction in increases in the following three age bands—3.3 per cent. (£255) for ages 40 to 44; 5.1 per cent. (£366) for ages 45 to 49; and 4.2 per cent. (£329) for ages 50 to 55.

An even bigger percentage rise was seen for the 25 to 29 age group of legal advisers—described as head of a small one or two-man legal department, or responsible to a lawyer but with legally qualified staff responsible to him. The average rise was 21.7 per cent., or £1,340.

The next biggest rise for *legal advisers was 12.5 per cent.* or £1,106 in the 35 to 39 age group, while the average salary of all in this category was £9,240. Senior legal advisers—having final legal responsibility to their employers and with two or more legally qualified subordinates—enjoyed a 5.4 per cent. rise (£700) in the 35 to 39 age group, 11 per cent. (£1,526) for ages 40 to 44 and *just 2 per cent. (£281) for ages* 45 to 49.

The survey also embraced company secretaries in 214 companies. For the secretarial assistant the average salary was £3,536, for the assistant company secretary it was £5,307 and the company secretary average was £7,014.

Copies of the survey are available free from Chambers and Partners, 74 Long Lane, London, E.C.1.

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FRIDAY, OCTOBER 15, 1976

Careless talk costs money

THE September trade figures are not disastrously bad, but they are undeniably disappointing both in themselves and for the trends which they suggest. In August, when the figures were no longer distorted for the worse by the import of oil rigs for the North Sea and other identifiable special factors and the visible deficit dropped to £293m., the official view was that this gave a more reliable indication of the underlying trend of the trade balance. But in September it was up again to £365m., rather higher than the average for the second quarter. With three-quarters of the year now gone, the current deficit on the balance of payments has reached £1.3bn. There will have to be a remarkably sharp improvement in the remaining three months of the year if the total deficit is to be no more, as was once hoped, than the £1.7bn. of 1975.

But the September figures themselves are less important than the trends they suggest. If the third quarter as a whole is compared with the second, it is not only the growth in the visible deficit—from £1.04bn. to £1.19bn.—which stands out but the divergent behaviour of exports and imports. Exporters are tending to raise their prices more promptly than in the past and have thereby tended to cancel out the effect on import prices of a falling exchange rate. The terms of trade improved slightly between the two quarters, which makes the rise in the deficit all the more striking.

Export volume

The main reason for the larger deficit was that while the volume of imports remained unchanged between the two quarters the volume of exports *fell* by 3 per cent. Car strikes, changes in the seasonal pattern of holidays and various other special factors may have contributed towards this result, but the Department of Trade points out that with few exceptions (metals, miscellaneous metal manufacturers, chemicals and textiles) the volume of exports fell between the two quarters in all the main commodity groups. This seems a much more disappointing performance than might have been expected on the basis of various industrial surveys and there is still room for hope that the downtrend—it is the volume of exports which matters so far as employment is concerned—will reverse itself. But it is also possible that the figures reflect a slower rate of growth in world business activity and trade, in which case manufacturers will also find it difficult to continue pushing up their prices.

The behaviour of imports, too, is not altogether satisfactory. The stocks of manufacturing industry, after rising a little in the first quarter, fell by rather more in the second; it is not altogether surprising, therefore, to find that imports of industrial raw materials and semis dropped in volume terms during the third quarter. But it is somewhat disconcerting to find this accompanied by quite a sharp jump in the volume of imports of finished manufactures—some, but by no means all of which was accounted for by a 22 per cent. rise in the volume of transport equipment (predominantly cars) between August and September.

Import controls

Unless the economy has run into production difficulties earlier and on a much wider scale than expected, there must be some special explanation for this rise in the volume of imported manufactures, and the obvious explanation is fear of import restrictions to come. The Chancellor has given a warning that talk of restrictions might have just such an anticipatory effect, but there has been so much talk about them at the Labour conference and in the advice of the TUC to the Government that even the present very high level of interest rates is probably unable to offset it completely. The Prime Minister yesterday sent a prompt and appreciative letter in reply to the joint memorandum of the TUC and the CBI on this subject. He would do well to make it clear as soon as possible that he envisages no more than the limited and selective measures which the memorandum recommends.

The timeliness of Milton Friedman

CONGRATULATIONS are surely due to the committee concerned rather than to Professor Milton Friedman on his Nobel Prize in economics: it is overdue. Friedman is unquestionably the most influential economist of our day, and events now seem to be conspiring to give a harsh demonstration of the truth of some of his most important insights. Like other influential economists, including Keynes, he was early in recognising the weaknesses of received doctrine, and in identifying the dangers to which it was bound to lead.

His central message is not comforting, as Keynes's was, for he patiently explains that our present troubles are almost inevitably made worse by our more feverish efforts to cure them, and counsels instead sound monetary management and patience, aided by a number of technical expedients — notably, a widespread adoption of indexation—which are only now attracting attention in this country. He is not therefore widely popular among politicians; but his message is getting through all the same.

Hard practice

We have not in this newspaper ever accepted Friedmanism as it is preached by Friedmanites. Experience has shown that simple theory can be damned hard practice: the problems of finding a suitable measure of the money supply, of controlling it at all closely on any measure, and of achieving any measure of control without disruptive effects on financial markets are proving difficult, as the critics of simple monetarism have always feared they would. The adjustment mechanism offered by floating exchange rates, which Friedman has urged for more than a quarter of a century, has also proved to pose problems when it is put to use, especially in the presence of swollen and unstable international money balances. Even the theory for which Friedman is best known, his restatement of the quantity theory of money (which is not, in fact, as the Nobel citation points out, his most fruitful work) has proved virtually impossible to demonstrate from U.K. statistics, though it is consistent with data for the U.S.

However it is not the role of influential economists to state final truths, if any such things are to be found in economics. It is rather to draw attention to important and neglected problems. Friedman has led a revival in the study of monetary and financial questions which will clearly remain of central importance until even the memory of the current inflation begins to grow faint.

Over-simplified

The work which is now being done by many researchers—including many who would count themselves as critics of Friedmanism—into such topics as the flow of funds, portfolio adjustments, savings behaviour, as well as Friedman's own work on expectations, is at present yielding many new insights.

Professor Friedman has also revolutionised the thinking of those directly involved in finance: the markets now have Friedmanite expectations, and any Government ignores this at its financial peril. Professor Friedman would no doubt find the popular understanding of his teaching sadly over-simplified: but that has been the fate of every influential economist.

He has so wide a following not only because he is relevant, but because he is eloquent — as have been the other great figures, from Adam Smith to Keynes — and also unusually witty. What remains to be seen is whether his message has in this country been received and understood in time. In our present perplexities it is only too tempting to conclude: *te morituri salutant.*

To face the wrath of ratepayers or the unions: **Colin Jones** sets out the alternatives for councillors

Local authority spending the next turn of the screw

MR. DENIS HEALEY now has five weeks in which to agree with Mr. Peter Shore, the Environment Secretary, on how far the Government should try to squeeze local authorities into conforming with its public expenditure targets by restricting the size of next year's rate support grant. The decision calls for as much political judgment as financial calculation and it has been made no easier by the recent pressure on sterling.

Even Ministers may now see that the need is for further public spending cuts rather than merely ensuring compliance with existing targets. But too sharp a squeeze on local authorities and—because of resistance by public sector unions and some local councils to enforced redundancies among local authority staffs—the upshot could be a range of local rates increases next spring which could threaten the pay restraint policy. Too light a squeeze on the other hand, and —as we saw this year and last year — the Government would have forfeited its main chance of persuading local authorities to keep the 30 per cent. of public expenditure for which they are responsible within the Government's guidelines.

The levels of local tax

Ministers have no power to tell Britain's 522 local authorities how much each of them may spend. Nor, like the TUC and CBI, have the local authority associations any way of compelling their members' compliance with the bargains the associations strike with the Government on their behalf. So long as local authorities retain the right to determine the levels of their own local tax—a power they have held for almost four centuries—the needs of the wider economic situation can be brought home to them only through the leverage of the rate support grant, together with Ministers' powers of persuasion and, in the case of capital expenditure, their control over local authority borrowing.

By using all three methods, the Government has managed to achieve some abatement of local spending ambitions but, as the table demonstrates, nothing like as much as was desired or expected. This time last year when the 1976-77 rate support grant for England and Wales was settled, Mr. Anthony Crosland, the then Environment Secretary, called for a "standstill" in real terms in local current spending this year. He did so because the latest figures had indicated an increase in expenditure in 1975-76 equivalent to the whole of the increase planned for that year and 1976-1977. It has since transpired not only that current expenditure this year is likely to have risen by a further 3-4 per cent. in real terms but that expenditure last year was probably about 1-2 per cent. higher in the same terms than had been thought last November.

All sorts of reasons could be given to explain why the brake has not been more effective. These include the momentum generated by the upsurge in spending plans in the early 1970's and by the legislative and departmental pressures of those years and since; the reluctance of some local leaders to give up their life-long belief in the virtues of a constant expansion of local public services; the inability or unwillingness of some councils to raise their rents, fares, fees, and other charges in line with the rise in costs; and the relative lack of toughness of the last two rate support grant settlements, especially for urban authorities.

Whatever the causes, the consequence is that a reduction in real terms of about 4-4½ per cent. in local current spending —or, at to-day's prices, about £500m. a year—will now have to be achieved if local authorities are to bring their expenditure into line with the Government's existing spending targets for 1977-78. Not since wartime has a reduction of this magnitude been engineered. Clearly, since wage costs account for well over half of total local current spending, the cuts will be realised only if local councils are prepared to face up to the question of redundancies. The full 4-4½ per cent. reduction will not be achieved by relying solely on natural wastage. According to the latest figures, local authority manpower — which had been increasing by about 4 per cent. a year — has now virtually ceased growing. But, at the most, natural wastage alone would probably secure a reduction in expenditure next year of not much more than about 2 per cent.

The decision confronting Mr. Shore and Mr. Healey, therefore, is whether to so restrict the size of the 1977-78 rate support grant that local councils are forced to choose between, on the one hand, bringing their budgets back into line with the Government's spending targets and, on the other, calling upon their ratepayers to make up the difference.

At this stage neither Minister can be sure which course, on balance, local councils would choose. Councillors may be reluctant to incur the wrath of their local ratepayers. On the other hand, some councils—it is hard to judge just how many—have already decided on a "no redundancy" policy while others have felt obliged to retreat from compulsory redundancies because of union opposition. Faced with a steep round of local rates increases next spring, the voter could well take the view that the Government is as much to blame as his local council.

So far Mr. Shore has given the impression of intending to negotiate a tough grant settlement. He has warned local councils that next year's grant will be based on the Government's expenditure targets for 1977-78, irrespective of this year's outturn. The old practice of "trend extrapolation"—or wiping the slate clean no matter how far local spending diverged from previously agreed guidelines—has gone, one presumes for good.

Subjected to a cash ceiling

Secondly, he has said that next year's grant will be reduced by an amount equivalent to the extra finance raised by local councils to pay for this year's overspending. In other words, Mr. Shore is assuming that local councils will have brought their spending back into line with Mr. Crosland's standstill and that the savings will have been put into reserve for use next year.

Next, the grant will once again be subjected to a cash ceiling. Since each year's grant is related to a forecast of expenditure calculated in terms of the previous November's prices, the normal practice is to adjust the weekly grant payment to local councils retroactively so as to allow for any subsequent increases in pay and other costs. The cash ceiling applies to this inflation adjustment, or "Increase Order," as it is called. This time, however, the outlook for cost increases up to 16 months ahead may be somewhat more difficult to weigh than the corresponding prospect when this year's grant and cash ceiling were set in November, 1975. In other words, the current cash limit is unlikely to have been reached this year but next year's could be.

Finally, Mr. Shore has warned local councils that this year's Increase Order will be docked by £50m. to encourage them to look for further savings during the rest of 1976-77. He has also given them notice of further adjustments, which Mr. Shore's advisers have devised, to neutralise the open-ended nature of the part of the grant which compensates local authorities with low rateable resources.

All this would sound distinctly promising were it not for the fact that Mr. Shore has so far trod rather circumspectly around the crucial matter of redundancies. The Prime Minister may have complained in the House of Commons about local authorities cutting services but not the staff which administer them. But Mr. Shore and other departmental Ministers have been much less forthright in the advice they circulate to local authorities.

For example, as recently as last August in a circular calling on local authorities to make further efforts to scale down their budgets, Mr. Shore and his colleagues suggested that it should be possible to make the further expenditure savings needed this year "without any significant diminution in the number of jobs." As for next year, the need to get back onto course would clearly impose "further pressures" but local authorities were advised to bear in mind the generally high level of unemployment, the need for full consultations with the trade unions, and the possibility as "alternatives to redundancies" of postponing recruitment, voluntary early retirement, the sharing of staff within and between authorities, and reviewing the services provided by outside contractors.

This advice was misleading, to say the least. One cannot expect Ministers to be insensitive about redundancy. But there can be no disguising the fact that, if local authorities are to cut their current spending by 4-4½ per cent. in real terms, a measure of redundancy is unavoidable.

Unfortunately, too, the mechanics of the rate support grant allow Ministers to appear to be more tough than they really are. Mr. Shore has warned local councils to expect next year's grant to cover a smaller percentage of their "net relevant expenditure" than this year's 65½ per cent. But a reduction in the grant percentage is inevitable at a time of zero or negative real growth in local spending. The key question, in these circumstances, is how big a reduction.

This is because the grant percentage is effectively a residual—after allowing for the forecast change in net relevant expenditure, the year-to-year growth in aggregate rateable values, the desired level of rates increases, and the likely rate of increase in prices and net earnings. When local spending is increasing in real terms, it is largely a matter of judging how far the grant as a percentage of net relevant expenditure should be increased so as to limit the increases in local rates bills to a politically acceptable level. In conditions of zero or negative real growth, on the other hand, the gearing works in the other direction: it [illegible] matter of judging how [illegible] rant percentage should [illegible] ed.

[illegible] difficult for comment [illegible] the calculation wi[illegible] (apparent) precisio[illegible] half. But, at least [illegible] pect, it is clear that [illegible] for a standstill in [illegible] ing in 1976-77 Mr. [illegible] should have reduced [illegible] percentage by [illegible] than one point [illegible] cent., to 65½ per [illegible]. If Mr. Shore were [illegible] ance next month a fur[illegible] in 1977-78 to, [illegible] 64 per cent., the [illegible] associations w[illegible] complain but the [illegible] would be much [illegible] if the grant percen[illegible] were to be reduced, say, and 62 per cent.

[illegible]desirable effects

This, in short, scope [illegible] the [illegible] settlement fo[illegible] Mini[illegible] sleight of hand [illegible] would possible, for exam[illegible] for [illegible] to take the [illegible] that, use of the resista[illegible] to [illegible] in public ser[illegible] may be it is probably realis[illegible] expect a 4-4½ [illegible] cent. cut in local cur[illegible] spending next year. Minis[illegible] might decide to settle something less than the [illegible] reduction the grant perce[illegible] age so [illegible] stave off the dan[illegible] of largest rates increa[illegible] and carry further cuts [illegible] capital [illegible] to offset [illegible] consequent overrun in [illegible] rent spe[illegible].

This might be the wis[illegible] course, [illegible] or econom[illegible] ally. Cu[illegible] capital expen[illegible] ture simplifies redundanc[illegible] into the [illegible] sector. It [illegible] undesirable effects on efficien[illegible]. Including Chancellor's [illegible] measures, capital spen[illegible] ing is al[illegible] due to f[illegible] sharply. [illegible] cause of [illegible] unpredictab[illegible] of ca[illegible] tal outlays, [illegible] could n[illegible] be sure, of [illegible] sufficie[illegible] further redu[illegible] The [illegible] spending ov[illegible] account. [illegible] but as [illegible]

The trouble [illegible] —as Mr. Crosland [illegible] party is now ov[illegible] would bills have still t[illegible] as [illegible] this boo[illegible] Government can [illegible] local spending [illegible] and, at the sa[illegible] widespread redu[illegible] politically awkw[illegible] rates increases. [illegible] of these aims w[illegible] sacrificed. The [illegible] the end be made [illegible] gate decisions of [illegible] councils. But the wisd[illegible] for Ministers, especial[illegible] light of the latest crisi[illegible] be to concentrate on co[illegible] public expenditure and [illegible] councillors choose betw[illegible] curbing the wrath of rat[illegible] and meeting the wrath [illegible] unions.

LOCAL GOVERNMENT SPENDING IN ENGLAND AND WALES

Annual % changes at constant prices
Forecast & estimated outturn

Estimates made:	Current Expenditure[1]: Years before −4	−3	−2	−1	Fiscal year 0	Years after +1	+2	+3	Capital Expenditure: Years before −4	−3	−2	−1	Fiscal Year 0	Years after +1	+2	+3
1972-73				4.5	6.2	8.1	8.1	7.8				4.2	11.5	2.1	5.2	3.7
1973-74			2.9	6.0	9.7	8.8	8.9				2.0	3.1	11.5	9.5	12.6	
1974-75		4.6	3.6	4.4	10.0	9.8				0.7	−3.2	−12.1	−1.2	5.3		
1975-76	4.5	4.5	4.5	4.0	4.1	(5/6)[2]			1.7	−1.1	−3.4	−8.1	−14.1			
1976-77	3.9	3.7	3.2	0.2	(3/4)[2]				0.4	−0.3	−3.2	−13.8				
1977-78	3.6	2.4	−0.2						1.3	−0.5	−5.3	(−9/11)[3]				
1978-79	2.2	−0.6							−0.2	−3.9						
1979-80	0.5								−1.9							

1 Excluding loan charges & certain other items
2 Latest estimates (at mid 1976)
3 After July 1976 spending cuts

Source: Public Expenditure White Papers

MEN AND MATTERS

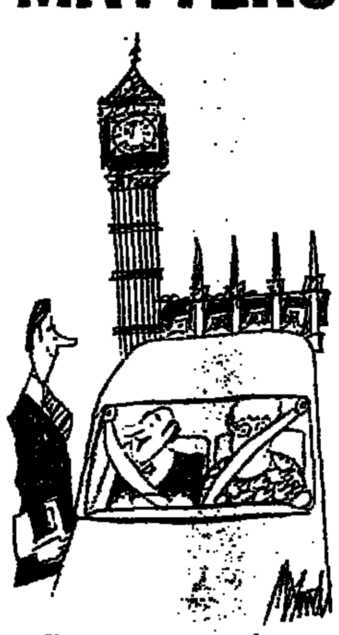
How to give away a factory

The beleaguered state of the British economy is well illustrated by the latest idea in competitions for which the major prize is no less than a free factory and working capital to start up a manufacturing company. The prize is being offered by the East Kilbride and Stonehouse Development Corporation as part of next year's celebrations of its 30th birthday.

It is sponsoring a national competition to find a new product, process, or managerial practice which is likely to be successful and is offering the lucky winner £15,000 and the lease of a new factory—there's a choice of 2,000 or 4,000 square feet—rent-free for two years in East Kilbride. Regional development grants could push up the worth of the total prize to about £35,000.

Entries to the competition are being invited from U.K. residents, and from any firms and companies operating in the country. The winner will be chosen by a panel of judges under the chairmanship of Sir Monty Finniston, former chairman of the British Steel Corporation, and will be announced in May next year.

Finniston is leading a busy life. Only yesterday I noted that he was promoting the £750,000 appeal for the Royal Institution and praising its scientific contributions to industry. Yesterday's affair was perhaps a trifle less elevated. He told his audience how he had always been a "great believer in the creation of wealth" and that he had not taken kindly to the "peripheral activities that seem to be encroaching on the economy of this country." In giving commercial openings to some untried manufacturing idea he was trying to rekindle the country's "merchant adventuring aptitudes" again.



"I've always been in favour of compulsory seat belts."

In the last 18 months East Kilbride with a population of about 75,000 has seen a net increase of nearly 2,000 jobs in the town and 44 new companies have arrived against a total of 39 leaving. Another 32 established companies have mounted major expansions. Finniston joined in the general enthusiasm by declaring: "We are in fact a mini National Enterprise Board but we are not supporting any lame ducks, we are going to create our own ducks." Strictly fit ones, I trust.

Answered

What is the most appropriate short and snappy answer to leave on a telephone answering machine? Any advance on "The cheque is in the post"?

Quotable

Everybody who takes newspaper-reading seriously knows that it is *de rigeur* for foreign correspondents to gather their crucial first impressions of a country from the first taxi driver they encounter. So what are correspondents from abroad being told about Britain from such reliable sources?

A rough guide could be the political lecture given to a colleague yesterday by a loquacious cabbie. "How long do you think we've got?" he began ominously, launching then into a grim forecasting session. He predicted a "wobbly coalition" (a cold?) Christmas, that would fail "like Weimar" to be followed by an authoritarian Right-wing regime.

His father had taught him to vote Labour because the Tories were synonymous with unemployment: now all the talk in his Tower Hamlets pub was of a readiness to welcome the Right. Then, he turned and with a grin added: "I could be wrong, you know." Let's hope he remembers to tell visiting journalists that last bit.

Civil service à la France?

French methods of controlling the civil service through the finance ministry could provide some lessons for the U.K. This was the feeling of the eight MPs of the House of Commons expenditure committee subcommittee which visited Paris as part of its examination of how to improve civil service efficiency.

The MPs were also impressed with the quality of the training given to top French civil servants by the Ecole Nationale d'Administration whose graduates are parachuted into top jobs in the public and private sectors. In particular the practical training received at ENA was contrasted with the academic bias of British civil servant training. Michael English, Labour MP for Nottingham West and chairman of the group, said that there was no intention of recommending the wholesale adoption of French ideas by the U.K. but he was anxious to discover practical things which could be relevant in the U.K.'s different climate.

The group spent two days examining both civil service practice and techniques of expenditure and budget control. Tory MP Nicholas Ridley commented on the method of having ministry of finance inspectors in each spending ministry "checking spending to the last franc in relation to detailed programmes and keeping a very tight eye on numbers employed." Ridley contrasted this with "the obvious insufficiency of control on numbers and costs in Britain."

But isn't France rather top heavy with civil servants? Another Conservative, Nigel Lawson, came up with an impressive statistic: 20 per cent. of the French workforce is in State employ while the figure for Britain including local authorities and nationalised industries is 28 per cent.

English added that France was chosen for special investigation because it was a unitary state with a similar population to the U.K. Trips to other countries were not excluded and the report should be ready in March. For U.K. taxpayers (who will pay about £1,000 for the MPs' trip), it should make interesting reading.

Be still

Remember *last* Friday? A bad week culminated with home loan mortgage rates leaping up, and a reader noticed that his diary's thought for that day was "It would be easier to make ends meet if circumstances did not keep moving the ends."

Observer

POLITICS TO-DAY

BY DAVID WATT

A letter to Chancellor Schmidt

Dear Helmut,

This is a line to say how much I enjoyed seeing you at Chequers last week-end. Is it my imagination or do you find these meetings a lot more pleasant now that Harold Wilson is out of the way? I certainly do. In fact, our rapport makes my wishes for the survival of your coalition more heart-felt than ever, and also encourages me to try to set down in black and white some of the themes we touched on in conversation the other night and perhaps to amplify some of them a little.

I was very much struck by something you said a couple of years ago when you came to address (brave man) the Labour Party's special Conference on the EEC: "I certainly do not intend to interfere with the economic affairs of the United Kingdom or to give advice in pursuing the interests of my own people. But let me say frankly that if we fail to establish close co-operaiton in order to cope with the risks of the present economic problems in the western democratic societies, we do. I'm afraid, put political stability at risk also, and might endanger our privilege to enjoy living in a democratic system."

This seems to me to go straight to the heart of the matter. I, like you, am desperately worried about political stability. The economic trouble of the '20s and '30s produced Fascism and Nazism with results we all know. Economic troubles of the '70s and '80s could easily produce a Left-wing totalitarianism—equally dangerous or, in its long-term effects, even more so since it would inevitably be associated to some extent with the power of the Soviet Union. Social democracy is in the firing line of this crisis since it is social democracy which represents for many millions of working class Europeans the only plausible hope of achieving prosperity within a democratic system. Never mind that Conservatives offer alternative visions of prosperity which may or may not come off, the fact is that it is our supporters—yours and mine in the social democratic parties—who are going to tip over into Left-wing extremism if things go wrong.

Proper role

What do I mean by "things going wrong" in British terms? I mean the situation that would almost certainly arise if the Labour Government falls off the tight-rope it has been walking for the last 12 months. It is a long rope, but at the end of it lies a better-balanced economy with export-led growth, moderated expectations and inflation, and a balance of payments protected by a healthy trade surplus and the proceeds of North Sea oil. It may take five years or more at best to reach this happy situation, and even if we make it we shall naturally be subject to all the same dangers of relapse that you are yourselves. But at least, if we do, we shall have some prospect from then on of playing our proper role in Western Europe again—as a stable, progressive democratic force, as a solid partner in the EEC and, most important of all perhaps, a thoroughly reliable and effective member of Nato. The question is how to get from here to there.

There seem to me to be two strategic problems here. The first, obviously, is that of getting the economy right. This means trying to reverse the decline of many years and perhaps many decades—a cliché, that, by now; but I never mind those. It means a slow revolution of managerial techniques and attitudes. It means a vast increase in productive investment. It means—of course it means—less private consumption and a rein on social expenditure which successive governments have allowed to outrun our capacity to sustain.

The second problem—an even more difficult one—is that of getting people to face up to the realities of the first problem. This is the real task for the politician, as I see it, and it is a devilishly difficult one because people will always resist cuts in their standard of living. But it must be solved—and for two very good reasons. In the first place if the trade unions in this country are not persuaded to be reasonable, they are powerful enough to take what they want by force: and for another thing a sudden sharp drop in living standards, at a rate for which there is no acquiescence, would be the biggest cause of extremism that I can imagine.

Both problems

At all events what we have been trying to do is to solve both problems at the same time—and I would claim with some success. Of course it would have been easier for us if we had not inherited a howling inflation from our predecessors and if we had not been scared by the narrowness of the February, 1974, election result into frittering away a year before we started to tackle the situation.

The main point is that we have managed to make a good deal of progress on both fronts. We have actually got the trade unions to accept some lowering of living standards. We have let the exchange rate drop to make exports more competitive; we have cut back our public expenditure plans; we have resisted the temptation to reflate the domestic economy in order to reduce unemployment. And still the wage pause has held.

I believe we could look forward to making more gains next year and still more the year after if it were not for one crucial factor. That is the sterling exchange rate. I am not going to bore you wth a lot of technicalities about what happened last week in the foreign exchange market, although I may as well say, in confidence, that the British Treasury and Bank of England seem to me to be even more technically incompetent at managing their intervention policy than they were when I was Chancellor—and that's saying a lot. Anyhow the problem goes much deeper than that. The thing that counts is the general lack of confidence in the pound, and its constant vulnerability to rumour and bear raids of all kinds. On any rational assessment of Britain's competitive position, sterling is now greatly undervalued — and I have been delighted to have your support on this point. In fact at its present rate it would probably be undervalued for months. Even if, as I am determined shall not be the case, our inflation rate failed to move downwards towards that of our competitors. But that will not necessarily prevent sterling from falling lower still unless we take drastic steps to prevent it.

What steps should these be? I'm constantly told by the mandarins and editorial writers that the first of them should be an instant cessation of Labour Party politics. But what comment could be more foolish and ignorant? I can't help it if the market is silly enough to believe that the resolutions passed at a Labour Party Conference indicate exactly what is going to happen in real life—or anything like it. I can't help it if they're too stupid to see that by appointing an arch-conservative like Harold Wilson to head an inquiry into the City of London, I actually scotch the nationalisation of the banks and insurance companies at a blow. All I can do is to see that what happens in real life is reasonably sensible and uninfluenced by lunatic ideology, and if I have to make some unimportant verbal concessions and shift my weight around a bit in order to keep the show on the road—well that's what I'm there for, just as you are.

Imports

Then there is the prescription of the Left—import controls. I am genuinely worried that the clamour for this recipe is spreading to the centre of the Party. For this reason—and to keep some particular trade unionists happy—I am consenting to some minor import restrictions and mainly on Japanese goods. But I have absolutely no intention of allowing myself—or Denis Healey—to be stampeded into generalised import quotas which would cut us off from our partners, protect inefficient industries, invite retaliation, cause endless political difficulties in the EEC and, not least, set me at odds with you. I know that you and I can agree that this, at least, is an outcome we must all move heaven and earth to avoid.

There aren't many alternatives left. What we've actually done—namely raise interest rates—may have been necessary in the circumstances of last week (though I must say that the Treasury and the Bank seem to have made a mess of their domestic funding operations as well as everything else). But in any case we cannot afford to keep rates at this level till much beyond the end of the year without delivering a final blow to investment.

So what we are reduced to is this — we must either allow sterling to float down freely or we must find the means of backing it with enough resources to be sure of keeping it steady for a considerable time. The first option is exceedingly unattractive to me—and I imagine to you as well. It seems unlikely that the unions could hold the line on the pay policy against another large rise in retail prices, while a further drop would certainly not make the problem of European agriculture any easier or please our industrial competitors in Germany.

The second option — that of propping the rate up by borrowing is really the only plausible course open to us. But the question is on what scale and on what terms. We are, as all the world knows, going to the International Monetary Fund for this purpose at this moment. That is all very well so far as it goes, but it has two drawbacks. The first is that if the Fund's terms are too onerous they will simply be self-defeating. We can, no doubt, squeeze out a few more public expenditure cuts or impose some more indirect taxes in order to reduce the public sector borrowing requirement (though there is no real evidence that a shift of resources is necessary at this moment). But beyond a certain point, the immediate effect on standards of living (say, through the abolition of food or housing subsidies) would blow the wage pause sky-high—and the Labour Government with it. What that point is, is a matter of political, and not economic judgment, and I hope, therefore, that the voice of sane governments within the fund will be heard over the clamour of the technicians.

The other drawback is that the resources available from the IMF are not sufficient to cope with problems of the sterling balances. So long as there are £6bn. of claims overhanging us it is hard to see how any real stability is possible. What we need is an operation on a far bigger scale which will give the British economy the breathing space it needs, and when the kind of funds we are talking about are concerned we must naturally turn to two strongest economies of the West — Germany and the U.S.

Of course I understand the difficulty of raising this idea even in general terms at this moment. Your situation will not be clear until mid-December and we shall probably have to adjust to a new American president as well. I am also only too aware of what you will be told by your Finance Ministry and the Bundesbank. Their attitude (which is echoed in Whitehall and Threadneedle Street) is that when the pressure is taken off us, we politicians shall relapse once more into our spendthrift habits. Give us the money and we will spend it to keep our followers and the special interests happy. Moreover the British people will never reform until they have been made to suffer condign punishment for past misdeeds.

I hope, as one of the honourable guild of politicians, you will not pay too much attention to all this—though it is probably too much to ask that you should be as irritated about it as I am. You and I know that suffering, particularly unnecessary suffering does not ennoble any society or contribute to its stability. We will bear what we must, and we will bear it with more fortitude and cohesiveness and more willingness to turn the experience to constructive ends if we have time to adjust as we go along. I have come late to this job and I have, frankly, very little to lose. If I succeed it will be because I intend to keep my promise to the Labour Party Conference (forgive me this Wilsonian quotation) not to "borrow to pay for yet another short-lived consumer boom." If I fail my successor would very likely be a Conservative.

In the end it comes down to a matter of trust, I suppose, and not just in me. I believe that we now have a strategy that we can make work, given the right support, but I also believe that the British people are in a frame of mind to go along with it. I cannot, of course, guarantee success even with support, but without it I am not optimistic. I have come to believe in the last few years (again, you may say, rather late) that Britain can make her most effective contribution in the modern world through her relations with Europe. I worry what will happen to Britain if we fail but I worry even more what will happen to Europe if the British stone crumbles from the arch.

Yours ever, Jim

Letters to the Editor

Consumer benefits

From Mr. B. Wright.

Sir,—The present furore over TV rental charges is rather amusing with comments being generated about the companies who are making excessive profits out of working people and their families! Since certain Socialist politicians are (and will continue to) extracting the maximum mileage out of any opportunity to attack private enterprise may I offer the view of a consumer?

I have rented a colour set since 1972 and during this time the monthly rental charge has risen by only 5 per cent., or the equivalent of 1½ per cent. per annum. If I was dissatisfied I would have ample opportunity of seeking a more competitive service elsewhere.

It is true that I still have the same TV set but by comparison I also have the same telephone receiver on which the standing charge has risen by 60 per cent. since 1974 alone. Needless to say I am a captive consumer with no alternative source of supply.

The same will apply to the costs of gas, electricity, postage and public transport *all of which* reveal the same dismal pattern.

I will leave each reader to judge who are the worst exploiters of the market but one thing we cannot do is to charge these publicly owned monopolistic enterprises with making excessive profits. Not only do we have to cough up exorbitant charges for the services but also vast sums of money are needed *to prop up these concerns.*

I suggest that left wing politicians redress themselves to these unacceptable faces of the corporate state and leave those private companies alone who set a reasonable standard of service and business efficiency.

B. P. Wright.
Sefton Avenue,
Mill Hill, N.W.7.

Legally fleeced

From Mr. N. Bilitch.

Sir,—The word profit causes as much hysteria as the subject of sex might have done at a Victorian Sunday School outing. If the TV rental companies had run their businessess less efficiently, and ended up with lower profit margins, competition among the many suppliers of rented TVs would have ensured that the charge to the customer would have remained at current prices. The just price, reasonable profit and the fair wage are figments of the politician's imagination. The nationalised industries who turn in astronomical losses—are their prices fair in the light of negative profits? They can hardly be said to be profiteering! The trick is that they pass on their losses to the taxpayer who pays for these services twice over; he is billed in the first instance for services allegedly rendered, and when he is not looking, is charged a second time when his tax bill comes up for settlement. That is not profiteering; on the contrary, it is bare faced robbery *by public corporations* immune from competition and the threat of bankruptcy.

Of course many privately owned businesses do enjoy large profits arising from privileged trading arrangements which result in monopoly profits. These take the form of tariffs, quotas, patents, subsidies, licences, grants, etc. If the Government is genuinely concerned that consumers should not be fleeced by unscrupulous businessmen, it would do us all a favour by curtailing the profits of privilege, and leave honest and efficient businessmen to compete with each other for our custom.

All good men and women would readily condemn the profits of bank robberies; what a great many people fail to see is that the consumer is legally fleeced when the state reduces our choice by conferring trading privileges designed to favour producers. Profit is the optical illusion which cleverly conceals the real lacuna whereby economic injustice flourishes.

N. A. Bilitch.
6, Rusholme Road,
Putney, S.W.15.

Reduced fuel bill

From The Chief Commercial Officer,
Norweb Electricity.

Sir,—Better insulation must be a legal requirement for new buildings, despite the extra cost involved. The cost (about £120 per house for four inches in the loft, wall infill and draught-proofing) can be recovered within three heating seasons by the consequent saving in all valuable fuels.

My argument is supported by the views of councillors and officials expressed during the Institute of Housing Managers conference at Scarborough. They argued that only Government cost yardsticks prevented sensible and substantial levels of thermal insulation being installed in new buildings—and only inadequate Building Regulations (which in any case are only intended to reduce condensation hazards—not to save fuel) prevented *these* installation standards being achieved when homes were modernised.

If this new investment *is* encouraged the cost of installing adequate insulation and electric heating is less than the present cost of a "radiator" system installed with the 1974 Building Regulations level of thermal insulation. The running costs would be about the same or lower.

The result would therefore be a very much reduced fuel bill for Britain, greater opportunity for Britain to use the substantial capital already invested in electricity generation, greater chance of work for electrical plant manufacturers and improved employment opportunities in the indigenous coal industry (assuming competitive prices) with beneficial effects on our balance of payments.

R. D. Flanders.
Cheetwood Road,
Manchester.

Do not beat it when it sneezes

From The Managing Director,
County Computer Centres
(Oxford).

Sir,—Ted Schoeters, in his review "Computers for the small man" (October 6) points to the increasing use of mini-computers by small businesses. Along with an increasing demand upon the computer service industry, which is one of the few industrial sectors to record a continued state of growth during the present troubled times, this is evidence of the widening acceptance that computer technology has something useful to offer.

Unfortunately, Mr. Schoeters is also only too correct in underlining the technical and organisational problems commonly attending the introduction of a computer and which are so often apparently unsuspected by many an otherwise astute businessman.

Many small computers are doing a splendid job well within their capabilities, *but there is no* doubt that many buyers expect too much of their chosen machine, encouraged perhaps by over-enthusiastic claims by the supplier. The degree to which excess costs and disappointing machine performance are sometimes allowed to run seems to indicate either a weak contrac*tual position with the supplier,* or an almost masochistic desire to buy some sort of experience, however dearly.

Although one can demand that a machine perform to its technical specification, it is quite another thing to expect a guarantee of fitness for any specific purpose. The buyer has bought himself a tool and is immediately into the area of systems and programming development, where the problems are man-sized, company sized, and cannot be scaled down in cost like the hardware.

Broadly speaking, the systems requirements of a small firm are no less complex than those of a large one. Yet one reason for the cost gap between the mini-computers and larger mainframe machines is the absence of the manufacturers' direct involvement in the vital area of systems implementation, for which the user will often be referred to an independent software contractor. Although this can work well, the satisfaction of tripartite objectives can equally well set up strains to the disadvantage of the uninitiated user who, after all, is the one paying the bills.

D. Parks.
Forestry House,
Great Milton, Oxford.

Write to your TU leaders

From the Chairman,
Elliot Right Way Books.

Sir,—For about 25 years my hobby has been writing to a variety of people from editors of magazines and newspapers to the Prime Minister, and I have spread my letters far and wide. Here seems to me a neglected field. For example, how many of the people who grumble and complain have ever written to trade union leaders and putting their own views?

I have just written to Len Murray explaining that for tax *reasons an engineer friend of* mine has left Britain a few weeks ago and he was a man who obtained orders running into many millions of pounds per annum. North America will now receive these orders. Unless those who grumble take the trouble to fight we cannot hope for much improvement. I have had some very nice letters from trade union leaders and I am sure they do wish to hear the views of the public.

Andrew G. Elliot.
Kingswood Buildings,
Lower Kingswood,
Tadworth, Surrey.

The people's choice

From The Chairman, Greater Merseyside Liberal Party.

Sir,—Mrs. Sally Oppenheim castigates the Labour Government for an impending explosion in food prices due partly to devaluation (October 13). The Conservative record, however, does nothing to prove they could do better. Between June, 1970, and December, 1973, when they governed, the food price index went up by 48.5 per cent. and the retail index increased by 33 per cent.

This is just one more example of the total inability of either Socialists or Tories to control the economy backed by a minority of voters. Until such time as we have a Government *supported by a majority of* voters no Government will be able to take the radical steps necessary to transform our society and economy.

Gradually it is becoming recognised that electoral reform must be the first move. Mrs. Oppenheim spoke against reform a year ago on "Any Questions," *she said that she did not accept* that reform was what the majority of people wanted, in spite of evidence to the contrary shown by polls at that time.

Do we have to reach total collapse before opponents of reform realise that it is our political system which is at fault rather than any individual party?

Michael Gayford.
"Periwinkle,"
Meols Drive,
West Kirby, Wirral.

Accounting for inflation

From Mr. R. Lawton.

Sir,—Because of the complexity of accounting for inflation, considerable space has been devoted in the financial and accounting press to covering the technical alternatives of calculation and presentation.

No one can doubt that the financial institutions are a backbone of our society. Accounts, adjusted to reflect inflation, are necessary for fund managers to make valid comparisons. Directly resulting from the availability of this information, individual's savings, through life asurance, pension funds, etc., will be more competently managed.

I suggest however that the word "how" be replaced by "why." Somewhere within the technical arguments the accounting profession appears to have forgotten the first reason for the existence of manufacturing companies. These do not exist primarily to produce financial statements. Rather, financial information is only one of many management tools used in providing work for employees and creating wealth for the country. Without adequate improvement in these areas there is unlikely to be a need for financial institutions in the near future. I venture to suggest that this country would be better off devoting less time to theoretical technical argument and more time to maximising future production.

It is interesting to note that in no other European country is such importance attached to "professional" accountancy. Is it possible that this country's declining economic status is linked to this fact?

R. T. Lawton.
1, Roundway,
Copped Hall, Camberley, Surrey.

Concrete ships

From Professor A. Harris

Sir,—Your article (October 14) on the transportation of liquid natural gas in concrete ships inferred that the use of concrete to contain LNG is novel. In fact, prestressed concrete tanks have been used for this purpose for many years; examples are to be found in Barcelona, Japan and the U.S.

My own practice proposed a ship (capacity 60,000 cu-m.) similar to that which you describe, in a design study carried out for Esso Research and Engineering in 1966. The similarity of the end result is striking as in both cases the shape utilises the membrane strength of prestressed concrete—very different from the beam and slab concept of classic ships and this is perhaps more novel than the material or the cargo being carried.

A. J. Harris (Professor).
Harris and Sutherland.
38-42, Whitfield Street, W.1.

To-day's Events

GENERAL

September statistics for retail prices and for usable steel production.

Japanese business delegation representing Keidanren (Federation of Economic Organisations) arrives in London at start of four-country European tour.

Lecture by Sir Harold Wilson at Bradford University.

Presentation of the Churchill gold medal of the Society of Engineers to Dr. Godfrey Hounsfield, inventor of the EMI-Scanner computerised X-ray system, at annual dinner of the Society, County Hall, London.

Magistrates Association annual meeting, Guildhall, London, EC.

Maritime conference of International Labour Organisation continues in Geneva.

End of London visit by vocational guidance experts from the nine EEC countries.

Annual meeting of the British Council for Rehabilitation of the Disabled, Bloomsbury Centre Hotel, WC1, 10.45 a.m.

British Junior Chamber National Conference, Brighton.

Royal Institute of Health conference, Edinburgh.

National Society of Clean Air conference, Edinburgh.

PARLIAMENTARY BUSINESS

House of Commons: Sexual Offences (Amendment) Bill, remaining stages. Endangered Species (Import and Export) Bill, second reading.

House of Lords: Dock Work Regulation Bill, committee. Race Relations Bill, third reading.

COMPANY MEETINGS

Diploma Investments, Great Eastern Hotel, EC, 12. Orme Developments, Winchester House, EC, 11. R. and J. Pullman, 13, Marylebone Road, NW, 12. Restmor, 54, Baker Street, W, 11.30. Second Alliance Trust, Dundee, 11.30

EXHIBITIONS

International Woodworking Machinery and Materials, Alexandra Palace, London (last day). Caxton Anniversary—Modern Printing Exhibition, Design Centre, Haymarket, London. Birmingham International Ideal Home Exhibition, National Exhibition Centre.

CITY LUNCH-TIME MUSIC

St. Stephen Walbrook, organ *recital by Dr. Christopher* Newton, 12.30 p.m. St. Mary-le-Bow, recorded music, 1.05 p.m. Guildhall School of Music and Drama, recital, 1.10 p.m. St. Mary Woolnoth, Singers' Workshop, 1.10 p.m. Church of the Holy Sepulchre, Holborn Viaduct, recorded stereo music by Mozart and Schubert, 1.15 p.m.

COMPANY NEWS + COMMENT

Canada setback hits Martin-Black midway

Turnover of wire rope makers, Martin-Black, improved from £6.26m. to £7.6m. in the first half of 1976 but pre-tax profit was down by 12 per cent. to £1.09m.

Mr. W. S. Risk, the new chairman, expects similar results in the second half—last year's profits totalled £2.36m., which was a record.

While first half sales in and from the U.K. were generally buoyant, the recession in Canada has been more prolonged and more severe than was expected in April. Furthermore, realised stock profits fell from £178,000 to £63,000.

Although the group suffered a temporary setback in Canada, and a reduction in orders received from the offshore oil industry, the directors are encouraged by the recent upsurge of new business being won in extensive overseas markets. In the U.K. it is difficult to be too optimistic in the light of prevailing conditions.

Costs continue to rise and three steel price increases have been announced by British Steel Corporation this year to date. Renewed efforts are being made to further improve efficiency and these, with the greater sales volume anticipated in the second half of the year, give grounds for confidence that home trade business will become more profitable than it has been for some time, the chairman adds.

He remains confident about long-term prospects.

Stated earnings per 25p share are lower at 9.02p for the half-year (11.6p) and the interim dividend is being stepped up from 1.75p to 2p net—a total of 4.4p is intended, the maximum allowed, compared with 4p last time.

	First half 1976 £000	1975 £000
Turnover	7,603	6,256
Depreciation	154	104
Trading profit	989	1,216
Interest	67	95
Exceptional credits*	99	64
Operating profit	1,021	1,185
Share Assoc.	68	54
Profit before tax	1,089	1,239
Taxation	550	641
Net profit	539	598
Extraord. debits‡	—	19
Attributable	539	579
Retained by assoc.	39	24
Available	500	555

* Gains on Exchange. ‡ Rights' issue expenses

Order intake and sales to U.K. customers have shown encouraging increases, while despatches to offshore and other export markets have continued at the high levels initially established during 1974. Orders received from the offshore oil industry have shown an expected reduction during recent months, but this has been more than offset by a significant and encouraging upward trend in orders received from many other export markets and the order book remains strong.

The Canadian subsidiary—which has been eminently successful for many years—had very poor results, and management there do not at present envisage any significant upsurge in sales or in profitability until at least some time next year. Nevertheless there is every confidence in the long-term prospects in Canada and the directors are currently proceeding with the new Ropery project planned for Truro to be in a position to take full advantage of the recovery when it comes.

The results of the Indian associate—Usha Martin Black (Wire Ropes)—are encouraging and show significant increases in production and sales. It is expected that the results for the full year will be better than those reported for 1975.

● comment

Martin-Black's interim results may lose some of their impact given the current bid for 40 per cent. of the Glover Group, another wire rope manufacturer, via Ronksley Investments. Still, there is room for disappointment since, following a confident comment on the first quarter, the first-half figures have turned out more in line with the sober appraisal given at the year-end. Problems continue in Canada, which accounts for a substantial proportion of sales. Turnover there has been maintained but margins have been squeezed. Elsewhere orders are apparently satisfactory but the final profits for the year are unlikely to be more than a shade over £2m., for earnings down from 21p to about 15½p. On a price of 80p this gives a p/e of 5.2 which reflects some of the directors') long-term confidence, while the prospective yield is 8.5 per cent.

INDEX TO COMPANY HIGHLIGHTS

Fothergill lower so far

External turnover of Fothergill and Harvey was similar at £4,704,000 in the 28 weeks to July 17, 1976, compared with £4,712,000 and pre-tax profit was down from £407,000 to £336,000.

Profit is slightly in excess of the second half of last year and is in line with the annual forecast.

While the improvement in trade is not materialising as fast as had been hoped, it is expected that the profit for the full year will be appreciably in excess of last year's £0.72m., the directors say.

First half earnings per 25p share are 2.94p, compared with 3.82p. The interim dividend is kept at 2p net—last year's total was 5.0555p.

The company makes fluorocarbon products, fibre reinforced composites and industrial synthetic textiles.

Erith tops £0.5m. in first half

FIRST HALF 1976 turnover of builders' merchants Erith and Co. improved from £8.13m. to £10.33m. and profit was £87,000 ahead at £507,000, subject to tax of £264,000 (£218,000).

Profit is struck after higher interest charges of £35,000 (£14,000) and interest received down from £10,000 to £5,000.

The interim dividend is stepped up from 1.7p to 1.78p net per 25p share—last year's total was 4.5146p and profits £839,536.

The directors report that sales for the third quarter are up to their best expectations and they are confident that the overall results for the year will prove to be satisfactory.

Higher sales reflect inflation and a substantial increase in volume.

Although recent capital expenditure has hardly yet had time to have its full effect, it has undoubtedly already contributed to the improved results, says the directors. They believe that a policy of carrying a comprehensive range of stocks, so that customers may obtain what they need when they want it, has been the means of further increasing the share of available trade. Borrowing is being kept within reasonable bounds and will be gradually reduced so far as continued inflation and taxation in all its various forms will allow.

● comment

Erith has done well to increase profits by a fifth on a turnover rise of 27 per cent., given the depressed state of the housebuilding sector. Its formula of product mix in both house exteriors and (more recently) interiors, combined with investment in new showrooms and stock automation has helped, although the drop in margins indicates the penalty of improved market penetration, particularly on the DIY side. On doubled profits for the full year, the prospective p/e is 4.9 and maximum yield 15 per cent. at 53p—reflecting doubts about future growth after the recent hike in mortgage rates. Even cautious forecasts of a steady fall in public housing between 1975-78 and a slight rise in private housing must now be looking less realistic. So the shares are likely to remain in the blues.

Stothert second half upsurge

PRE-TAX profits of engineers Stothert and Pitt surged from £141,119 to £393,203 in the second half, resulting in a figure of £632,996 for the 53 weeks to July 3, 1976 compared with £380,912 for the previous year.

Before extraordinary items earnings per £1 share rose from 7.4p to 13p and a final dividend of 6.63p net raises the total from 7.86p to 8.58p at a cost of £171,600 (£157,200).

	53 wks. 1975-76 £	52 wks. 1974-75 £
Turnover	18,589,000	14,457,000
Depreciation	165,824	136,633
Bank interest	273,064	150,426
HP interest	26,589	—
Loss of assoc.	47,611	147,317
Profit before tax	632,996	380,912
Taxation	370,193	229,306
Net profit	262,803	151,706
Extra-ord. credit	9,736	64,378
Attributable	272,539	216,084
Pref. dividend	2,792	2,783

● comment

Stothert and Pitt made a dramatic recovery in the second half after the 10 per cent. downturn in profits at the half-way stage. Second-half profits were up more than threefold, on the back of strong exports that overall accounted for £8.8m. of total turnover. Profits are taken when cranes are installed rather than shipped and this probably accounts for the difference in profits between the two halves. On the £15m. Saudi Arabia contract, some 25 cranes have been shipped out of the total of 66 but most of the profits from these deliveries will fall into the current year, when the bulk of the other shipments should be made, too. The other sectors, and particularly the pumps side, is also actively seeking exports to boost poor U.K. demand. Meanwhile, losses continue in Holland at much the same rate and interest charges are considerably higher. Until the U.K. side picks up and the group is well established abroad, there is unlikely to be much premium in the shares, despite the short-term profits in the pipeline. At 87p the p/e is 6.2 and yield 16.4 per cent.

Atlas Electric improves

GROSS INCOME of the Atlas Electric and General Trust improved from £1.99m. to £2.12m. in the half year ended September 30, 1976 and net revenue was £1.01m. against £944,048 after tax of £612,290 compared with £617,043.

To reduce disparity, the net interim dividend is lifted from 0.4p to 0.5p—the total in 1975-76 was 1.3p.

Net asset value per 25p share is 55.5p (63.7p at March 31, 1976).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Atlas Electric ......int.	0.5(c)	Dec. 8	0.4	—	1.3
Eng. and Caledonian int.	0.65	Nov. 26	0.65	—	2.3
Erith and Co. ......int.	1.78	Nov. 27	1.7	—	4.51
Fothergill and Harvey int.	2	Dec. 6	2	—	5.06
Geers Gross ......int.	0.73	Dec. 6	0.73*	—	2.1*
Hewden-Stuart ......int.	0.55	Feb. 3	0.5	—	1.43
Chas. Hill Bristol ......int.	2	Nov. 24	2	—	4
Maurice James ......int.	0.98	Jan. 3	0.98	—	2.57
Jersey Gen. Inv. ......int.	4.5(a)	Nov. 30	4	—	10
P. and W. Maclellan ...int.	0.5	Nov. 18	0.5	—	1.3
Martin-Black ......int.	2	Nov. 26	1.75	—(b)	4
McNeill Group ......int.	1.25	—	0.92	—	2.85
Newman Tonks	2.55	Dec. 9	2.26	3.25	2.96
Photo-Me Intl.	2.28	—	1.18	2.28	1.18
Pressac	1.64	Nov. 25	1.49	2.41	2.19
Prestwich Parker	2.19	Nov. 26	2.16	3	3
Root Harvesters ......int.	0.75	Jan. 10	0.67	—	1.67
Scottish Inv. ...2nd Int.	1.3	Feb. 7	1.59	2.05(e)	2.05
Second Broadmount ...	0.61	Nov. 20	0.52	0.88	0.77
Second Scot. Inv. 2nd Int.	1.24	—	1.6	2.04(e)	1.87
Slimma	1.61	—	1.41	2.17	1.97
Solus Teoranta	1(d)	—	2	2	3
Stothert and Pitt	6.63	Jan. 10	5.85	8.58	7.86
B. Wiggins ......int.	nil	—	0.7	—	1.93
Wire and Plastic ......int.	0.7	Jan. 4	0.7	—	1.76

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Less Jersey income-tax. (b) Total 4.4p intended. (c) To reduce disparity. (d) Gross throughout. (e) For 55 weeks.

McNeill mid-term decline

PROFITS before tax of the McNeill Group of concrete and structural engineers fell from £408,000 to £304,000 in the first half of 1976. Turnover was £7.7m. against £6.8m.

The net interim dividend is lifted from 0.91875p to 1.25p—last year's total was 2.85044p when pre-tax profits were £839,399.

First half tax charge is £158,080 (£212,160) leaving net profits of £145,920 compared with £195,840.

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Loss at British Midland

AN OPERATING loss of £499,000 was incurred by British Midland Airways for the first half of 1976 compared with a £225,000 deficit in the same period last year.

The directors say it is too early to predict with any degree of accuracy, the results for the full year, but they are hopeful of an out-turn not far removed from that of 1975 when a £420,000 profit was achieved.

Turnover for the half-year improved from £5.5m. to £7.85m. The loss is after parent company interest of £63,000 (£59,000). The company is a subsidiary of Minster Assets.

The chairman, Mr. A. R. McGibbon says the figures for the six months compare unfavourably with those for the corresponding period of 1975. This is broadly in line with budget and takes account both of the usual seasonal first-half loss and the inexorable increase in costs. The lost ground has been made up during the peak summer months, he states.

Cost increases show little sign of abatement "and it is to be hoped that we will continue to be successful in increased fare applications as the viability of the company is largely dependent on this," says the chairman.

Newman-Tonks profit fall

FOLLOWING the fall from £770,000 to £365,000 in the first six months, profits before tax of Newman-Tonks were down from £1.51m. to £1.02m., in the year ended July 31, 1976.

In their interim report, the directors said that the incoming order situation was better and if the trend continued, second-half profits should show an improvement on the first six months.

Earnings per share, excluding extraordinary items are 4.68p (6.28p). A net final dividend of 2.55p lifts the total from 2.95854p to 3.25p per 25p share.

	Year 1975-76 £000	Year 1974-75 £000
Turnover	16,357	15,206
Profit before tax	1,019	1,508
U.K. tax	363	738
Overseas tax	112	85
Net profit	544	685
Minorities	82	87
Extraordinary credits	—	53
Attributable	462	651
Ord. dividends	321	292

Dowding Mills progress

AN IMPROVEMENT in trading after two months of the current year is reported by Mr. K. H. Sharp, chairman of Dowding and Mills, in his annual statement.

However, he finds it difficult to judge whether this trend will continue for the immediate future.

As reported on September 25, pre-tax profit declined from £1.23m. to £1.1m. in the year to June 30, 1976, after a second half setback.

In spite of the downturn in activity experienced in the early months of 1976 the directors have decided to proceed with their plans for the construction of new buildings for the Pinxton branch—construction is progressing satisfactorily with occupation planned for January, 1977.

Meeting, Birmingham, Nov. 8, 12.30 p.m.

Statement Page 28

Haw Par share sales

By Margaret Reid

Trusts in the Edinburgh-based Ivory and Sime investment group have made major sales from the shareholdings they bought in the Singapore company Haw Par Brothers International when Slater Walker Securities sold out its interest in mid-1974. This follows the resumption for Far East stock market trading in the shares this week.

Atlantic Assets Trust has reduced its holdings in Haw Par to below 5 per cent.; 6,366,500 shares out of its previous holding of 11,637,500 shares have been sold in the Singapore and Kuala Lumpur stock markets at an average price of more than one Singapore dollar.

British Assets Trust and Edinburgh American Assets Trust (formerly Second British Assets Trust) have sold their entire holdings of 2,117,500 shares and of 730,000 shares respectively in Haw Par.

At one Singapore dollar, the 6,366,500 shares disposed of by Atlantic Assets would be worth some £1.57m. No investment premium is attracted, since special permission was originally given for the holding to be acquired as a direct investment.

The Ivory and Sime group of trusts between them acquired 12.3 per cent. of Haw Par, bringing their interest in that company to some 14m. shares, in mid-1974, when the mining group Charter Consolidated also acquired a similar amount. The seller was Slater Walker, severing its ill-fated conection with Haw Par, which has led to continuing controversy.

Atlantic Assets paid some £4.3m. for its Haw Par shares in 1974; the proportion of this applicable to the shares it has now sold was some £2.35m., which shows a loss of some £780,000 when compared with the sale proceeds of £1.57m.

At the end of June 1975, Atlantic Assets' own net asset value per share was 64.4p, including 15.9p for the Haw Par holding. Subsequently, any element for Haw Par was excluded from all Atlantic Asset valuations because of the suspension of stock market trading in Haw Par. It is expected that to-day (Friday) Atlantic will announce that its net asset value per share at the end of September 1976 was 84p to which 11p can be added for the Haw Par shares.

SLOUGH ESTATES

In connection with the offer for Yorkshire and Pacific Securities in March, 1969, a further 9,573 Ordinary shares of 25p each ranking pari passu with the existing Ordinary shares have been issued by Slough Estates in exchange for 1,500 shares of no par value in Slough Estates Canada.

Hewden-Stuart's £1.56m. at half way

INCLUDING a £242,639 contribution from A. Gunn (Holdings), profits of Hewden-Stuart Plant reached £1.56m. in the half year ended August 1, 1976. Excluding Gunn, profits in the corresponding period last year amounted to £1.59m.

A net interim dividend of 0.55p per 10p share is declared, compared with 0.5p. Last year's total was 1.43p from profits of £3.02m.

First-half profit is struck after depreciation of £2.93m. (£1.68m.) and interest of £520,086, against £427,332. Again there is no tax charge.

Trading conditions in August and September have remained difficult the directors report. However, they believe that the final results for the year will be satisfactory, though current events make forecasting impracticable.

Following the losses reported last year at Gunn Holdings, a thorough reorganisation of that group was instigated and as a result Gunns have returned to profitability with a profit of £326,919 for the half year after depreciation of £413,747 and interest of £166,720.

The reorganisation has improved profitability and liquidity, and this latter factor, combined with the benefits still to flow from the reorganisation, justify the belief that in the current half year Gunns will make a further substantial contribution to the group's profits and that further benefits will arise in the year's to come.

● comment

Unchanged profits despite a major acquisition might seem a disappointing performance by Hewden-Stuart Plant, but there are signs of a better future. The Gunn acquisition made a trading loss in the second half of last year but has now made a pre-tax profit of £326,000. There has been great scope for cutting overheads at Gunn and the benefit has not yet fully come through. Moreover, Hewden-Stuart has continued to invest in new plant, despite the dismal level of demand, in the hope that there is some pick-up by late 1977. So while in the short term, profits are being held back by a higher depreciation charge, the reward could come in the longer term. The shares have naturally been hit by the bad experience with Gunn and anyway the prospective yield of 10.8 per cent. with the shares at 23p is not high in the unpopular plant hire sector, but the medium-term potential is significant and the prospective p/e this year could be as low as 2.1.

Pilkington offshoot headway

Turnover of Fibreglass Pilkington Bombay, a subsidiary of the Pilkington Group improved from £3.08m. to £3.58m., in the year ended March 31, 1976 and pre-tax profits advanced from £396,000 to £644,000.

Earnings per share were up from 12.2p to 16.7p.

The directors say that figures for the current first half-year show turnover and profits well ahead of 1975 and prospects encouraging for another successful year.

Prestwich Parker upturn

BOLTS and nuts manufacturer Prestwich Parker reports profits up from £319,378 to £369,58[illegible] for the year ended June 30, before tax of £196,319 against £169,875.

Profits in the first six months had fallen from £154,227 to £139,775 and the directors said then that no improvement was envisaged for the second half-year.

A net final dividend of 2.19p maintains the total at 3p per share.

Advance to £1.19m. by Slimma

The forecast increase in profits for the year ended June 30 at Slimma Group turns out at £1.19m., compared with £0.[illegible] before tax of £0.55m. (£0.[illegible]). Turnover improved from £12[illegible] to £15.84m.

In the first half profit was up from £0.46m. to £0.53m., all companies contributing to the increase. The group is engaged in clothing manufacture.

Year-end earnings per share are up from 9.96p to £[illegible]—final dividend is 1.6095p net for the expected total of 2.1[illegible] (1.97075p).

Photo-Me expands to £1.4m.

COMPARED WITH the interim indication of profits of at least £1.23m. Photo-Me International has turned in a record profit balance of £1.37m. for the year ended April 30, 1976, representing an increase of £368,07[illegible] over 1974-75.

Attributable profits, before deducting extraordinary items, come out at £436,028 against £290,233, and earnings per share amount to 20.76p (13.[illegible]).

The dividend is stepped up from 1.175p net to 2.27[illegible].

	1975-76 £	[illegible]
Turnover	13,747,3[illegible]	[illegible]
Profit	1,373,9[illegible]	[illegible]
Taxation	732,139	[illegible]
Net profit	641,803	[illegible]
Minorities	205,775	[illegible]
Attributable	436,028	[illegible]
Extra-ord. debits	131,157	[illegible]
Leaving	304,871	[illegible]
Dividend	47,773	[illegible]
Retained	257,098	[illegible]

MINING NEWS

FS Geduld faces higher capital spending

BY KENNETH MARSTON, MINING EDITOR

SEPTEMBER quarter working profits of the gold mines in the Anglo American Corporation group follow the established pattern of lower revenue in line with the fall in the bullion prices received during the period. But there are exceptions in the cases of Free State Geduld, President Steyn and Western Deep.

The rise in the working surplus of FSG is easily explained by the fact that this mine received an exceptionally low gold price of $115 per ounce in the June quarter but has obtained an above average $122 in the past three months. In the past 12 months to September 30 the mine milled 2.1m. tons of ore grading 16.4 grams gold per ton.

FSG's planned production for the current year is 2.5m. tons of ore at a gold grade of 14.4 grams per ton. Capital spending in 1975-1976 amounted to R10.6m. but the current year's estimate shows a sharp advance to R25m. (£17.2m.), a large proportion of which will be incurred on the proposed new No. 5 shaft system.

Steyn output up

President Steyn's higher quarterly surplus reflects increased milling and grade during the quarter. The mine's surplus, like the others shown in the accompanying table, does not include sundry revenue which has fallen sharply. Variations from mine to mine have occurred in the latter income and arise from the financing of the joint metallurgical scheme which involves the group's seven OFS gold mining companies.

President Steyn planned production for the current year to next September is 3.6m. tons grading 9.2 grams compared with 2.6m. tons grading 10.5 grams produced in the past 12 months. President Brand aims to produce 3.1m. tons grading 10.5 grams compared with 2.97m. tons grading 19 grams in 1975-76 while Western Holdings plans for 3.1m. tons grading 12.3 grams, compared with 2.97m. tons grading 12.7 grams.

Western Deep has increased its quarterly surplus thanks to increased gold production and a higher revenue from uranium, but sundry revenue is sharply lower. A fall in gold profits at Vaal Reefs has been offset to a large extent by higher revenue from uranium.

	Sept. qtr. R000	June qtr. R000	Mar. qtr. R000
E. Daggafontein	*[illegible]	*760	*639
Freddies	*1,0[illegible]	*516	*450
Free State Geduld	18,8[illegible]	17,7[illegible]	17,751
F. State Saaiplaas	*2,4[illegible]	*1,627	*1,168
President Brand	14,[illegible]	18,813	19,255
President Steyn	8,5[illegible]	8,236	8,982
S.A. Lands	*1,41[illegible]	*1,056	*364
Vaal Reefs	19,2[illegible]	18,908	20,634
Welkom	1,0[illegible]	1,270	2,819
Western Deep	19,21[illegible]	22,767	21,588
Western Holdings	15,812	20,930	18,943

* Loss.

ROUND-UP

Following its recent anticipation that operations at the mine would have to be terminated by the end of next March, South African Land and Exploration now states that it has been decided to cease gold mining operations at th eend of December, 1976, and that subsequent activities will be confined to clean-up. Meanwhile the company is pressing on with its exploration programme and has already announced a R1.98m. rights issue.

Losses are continuing at the gold-producing East Daggafontein and it is not reckoned that it woul dbe economic to continue treating only the surface waste rock dump. Accordingly, all operations at the mine, other than clean-up, will cease in mid-November.

* * *

Operations are being curtailed at South Roodepoort in an effort to improve the cash flow position of the gold mine which is now running at a loss. The chairman, Mr. A. W. S. Schumann advises shareholders to accept the take-over offer from Randfontein.

* * *

In line with the trend in the South African mining industry, De Beers Consolidated Diamond Mines is introducing a five-day week at its mines in the Kimberley area. But the move is conditional on production being maintained and the processing plants will continue to work six days a week.

GMK GIVES UP

Australia's Gold Mines of Kalgoorlie is on the verge of going out of business, a victim of the depressed bullion market. Its merchant bank advisers, Capel Court Corporation have recommended that if no adequate offer for the share capital is received, the company should wind up.

GMK's main activities are its 47 per cent. stake in Kalgoorlie Lake View, whose Mount Charlotte gold mine was put on a care and maintenance basis last month, and its 27 per cent. interest in Kalgoorlie Southern Gold Mines which announced that its cash resources were exhausted just over a fortnight ago.

Western Mining owns 31.68 per cent. of GMK but will not provide additional share capital. In any case, GMK is unlikely to have any income in the foreseeable future, while it needs $100,000 (£74,000) a year to keep running. GMK shares were a rather nominal 20p in London yesterday.

Agnew to go ahead

WESTERN AUSTRALIA'S Agnew nickel project is to go ahead. The green light for production starting in late 1978 at an initial capacity of 10,000 tonnes of nickel in concentrate came yesterday when the state Premier, Sir Charles Court, and the joint venture partners, the Selection Trust group's Western Selcast with 60 per cent. and Australia's Mount Isa Mines, a subsidiary of MIM Holdings, announced the final financial arrangements.

Western Selcast will be relying on non-sterling loans guaranteed by Selection Trust to meet its share of the mine development cost, which is put at $78m. (£58.1m.). About 41 per cent. of this figure is destined for infrastructure such as power supplies and transport.

The Western Australian Government is guaranteeing a Rural and Industries Bank loan of $10m. (£7.45m.), a special measure designed to help with the cost of housing and to relieve unemployment in the Kalgoorlie area.

Starting in 1979, Western Mining has agreed to toll smelt 100,000 tonnes of Agnew concentrates a year. This will demand extra capacity at Western Mining's Kalgoorlie smelter at a cost of $30m. (£22.36m.). Western Selcast and Mount Isa Mines will be advancing a substantial but unspecified portion of the smelter expansion funds.

By early next year the Agnew partners hope to have made sales arrangements for the matte. At this stage it seems likely that the American group, Amax, will be a buyer on a large scale. Despite the sickly nature of the nickel market at present, there has been no shortage of enquiries and on present trends Agnew should come into production at a time of strengthening demand.

Yesterday Selection Trust were 473p, MIM Holdings 218p and Western Mining 166p. Selcast Exploration which holds 20 per cent. of Western Selcast were 86p.

Better quarter for Prieska and Murchison

AFTER their disappointing performances in the June quarter the Anglo Transvaal Consolidated group's antimony-producing Consolidated Murchison and copper-producing Prieska mines report improved sales and profits in the past three months.

Murchison's shipments of antimony concentrates for the past nine months amount to 19,854 tons. If they are maintained in the current quarter they will fully bear out the chairman's forecast earlier this year of a 1976 total of some 25,000 tons.

Prieska's shipments of copper concentrates in the past quarter have risen to 34,298 tons from only 14,752 tons in the previous three months, those of zinc concentrates having amounted to 38,128 tons against 34,108 tons.

Of the group's gold mines, Hartebeest has boosted its gold output and lowered costs. But the benefits of this on revenue have been outweighed by a lower bullion price of $112 per ounce compared with $126 in the June quarter.

Loraine has a similar story to tell with a gold price of only $107 against $123 and thus there is an increased loss of R2.22m., as shown in the accompanying table, but this is struck before the receipt of State aid. Capital spending in the current year to next September is estimated at R8.25m. against R6.22m. in the past 12 months.

	Sept. qtr. R000	June qtr. R000	Mar. qtr. R000
Hartebeestfontein	9,743	12,877	11,112
Loraine	*2,225	*1,879	*1,868
Cons. Murchison	3,856	3,092	4,109
Prieska	6,321	4,577	4,613
East Transvaal	275	450	553

UNION CORPN. GOLD PROFITS

In the Union Corporation group gold mining quarterly reports, Bracken's milling rate has recovered after the break-down in the June quarter. Kinross has been hit by a labour shortage following disturbances at the hostel in July while St. Helena has seen similar labour troubles but has been able to maintain production.

The latest quarterly working surpluses are compared in the following table.

	Sept. qtr. R000	June qtr. R000	Mar. qtr. R000
Bracken	3,234	3,363	3,890
Grootvlei	142	360	844
Kinross	3,371	5,510	5,671
Leslie	837	1,020	1,280
Marievale	221	548	538
St. Helena	13,714	14,883	15,353
Winkelhaak	7,134	7,614	8,235

Charles Hill slips back in first half

Profits of Charles Hill of Bristol fell back from £147,000 to £64,000 in the half year ended June 30, 1976, on a turnover higher at £6.87m. against £5.96m.

The interim dividend is unchanged at 2p—the total for 1975 was 4p payable from profits of £381,755, which was struck after a provision of £130,475 in respect of work done on MV Narada. A loss of £153,755 was incurred in 1974.

The directors explain that the profits are lower for a variety of reasons, but results for the second half should show a better figure, particularly from shiprepairing and from construction (civil engineering and building).

Road transport and textured coatings have both been suffering from the adverse economic circumstances of the U.K. Measures have been taken to help these two companies to return to profitability.

Results of Charles Hill and Sons show neither a profit nor a loss. Nevertheless the directors say it is very hard to predict the outcome of negotiations in progress, both in connection with compensation due from Bristol City Council and in relation to the payment for repairs to M.V. Narada on which the group holds a possessory lien.

	Six months 1976 £	Six months 1975 £
Turnover	6,872,000	5,960,000
Profit	53,000	133,000
Share of associates	11,000	14,000
Pre-tax profit	64,000	147,000
Taxation	25,000	82,000
Net profit	39,000	65,000
Minorities	5,000	23,000
Preference dividend	6,500	6,500
Attributable Ordinary	27,500	35,500

DCM tops £½m. midway and confirms growth trend

REVEALING GROUP pre-tax profits up from £394,451 to £519,976 for the six months ended June 30, 1976, the directors of Dunbee-Combex-Marx, reaffirm that profits growth will again be *satisfactory in 1976*. In 1975 profits climbed from £2.8m. to a peak of £3.51m.

The first half figures exclude the Marx Companies in the U.S. and Hong Kong which were acquired on April 15, 1976—their turnover from that date to June 30 was £5.52m. from which a loss of £322,042 was incurred. Lord Westwood, chairman, says that these figures are better than originally budgeted, which leads him to confirm that in the year there will be a profit from Hong Kong and at least a break-even situation from the U.S.

After six months of control of Marx in the U.S., the chairman says that the general picture looks extremely promising and he looks forward to a significant contribution from the U.S. in 1977.

In the past six months a planned programme has been pursued for the disposal of surplus assets of Marx. Those already sold have realised a sum exceeding the first payment of $2.5m. due to Quaker Oats on January 1, 1977. The policy of reducing overall indebtedness has, therefore, been successfully implemented without impairing profitability, and further realisations are still in progress, states Lord Westwood.

As forecast at the time of the rights issue it is intended to step up dividends from 6.522p to 10p on the higher capital.

Group sales in the half year jumped to £21.09m. compared with £12.35m. for the same 1975 period and with £38.74m. for all 1975.

● comment

The first-half figures from Dunbee-Combex are still being clouded by seasonal peculiarities. Sales are 70 per cent. higher and up something like 60 per cent. on a comparable basis taking out the new German and Australian operations, both of which are losing money through their low season. But that still leaves Dunbee sitting on actual volume growth of at least 40 per cent. Exports are apparently roaring ahead—and this week's figures from Lesney pointed to the current advantages of overseas toy markets. But just what this sort of demand background means in terms of overall 1976 profits is a matter for guesswork. For the year the Marx companies will bring in an additional £30m. of sales together with a small profit, and the acquisition is due to have a real impact on earnings in 1977. Meantime the balance sheet is apparently much improved, and at 142p the shares yield 10.8 per cent.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:— Bishopsgate Trust, Arthur Henriques, Kenkast, Lowland Drapery, Mentmore Manufacturing, Mettoy, Provincial Laundries, Storey Bros., E. Upton.

Finals:— Bird (Africa), Fitzroy Investment, Glanfield Securities, London Shop Property Trust, Lyndale Engineering.

FUTURE DATES

Interims:—

Aberdeen Investments	Nov. 1
Astbury and Madeley	Oct. 29
British Investment Trust	Oct. 25
City of Oxford Investment Trust	Oct. 20
Coates Bros.	Oct. 22
Randalls	Oct. 25
Finals:—	
Simpson (S)	Oct. 21

Gen. Investors & Trustees

After administration expenses of £105,237 and interest charges of £173,092, revenue of General Investors and Trustees was £399,734 subject to tax of £147,222 in the half year to July 31, 1976. Total income amounted to £678,063.

A 1.4p net interim dividend has already been announced and the forecast total of 3.18p (2.8p) will be covered by earnings, the directors say.

End first half net asset value is 114p (123.5p). In October 1975 the company merged with City and Gracechurch Investment Trust.

In the first half of the year 1975/6 income totalled £481,771 and pre-tax revenue £294,358—at year-end the figures were £1,048,628 and £655,324 respectively.

Pressac recovers to £559,000

THE RECOVERY referred to by the directors of Pressac Holdings at the interim stage, when profits showed an improvement from £117,426 to £192,306, accelerated through the second six months and the pre-tax balance for the year ended July 31, 1976, emerges £220,979 ahead at £558,979 and brings the figure within £159,000 of the peak £718,000 achieved in 1972-73.

Sales increased from £3.83m. to £4.58m. and the directors point out that additional volume was reflected in the improved profitability. Direct export sales were 39 per cent. higher.

Consolidation and expansion of the overseas business is being achieved; substantial progress in the home market is also being maintained and is expected to continue.

The current year has started well with a very encouraging increase in sales, the directors report.

After tax of £340,506 (£185,081), earnings per 10p share are up from 3.82p to 5.58p. The dividend is raised from 2.1875p net to 2.4063p, with a final of 1.6423p.

The group's business is that of electro-mechanical component manufacturers and precision engineers.

WHITE AND CHEESMAN

As from October 18 stock jobbers *White and Cheesman and Co.* will commence dealing in ANZ Group Holdings, Bank of Adelaide, Bank of New South Wales, Commercial Bank of Australia, Commercial Banking Company of Sydney and National Bank of Australasia.

Berry Wiggins mid-term slump

OIL SERVICING and contracting group, Berry Wiggins and Co. discloses a much reduced pre-tax profit of £158,000 in the first half of 1976, compared with £792,000, after a £140,000 loss on sale of equipment.

Nil earnings per 25p share compare with 1.47p and there is no interim dividend against 0.7p net last time— last year's total was 1.925p from profits of £1.84m., a record.

The profit decline results in the main from problems that have arisen in the company's major drilling contract in Algeria. The four rigs were not operational until later than scheduled, which has meant a loss of revenue by comparison with that originally envisaged. However, the rigs are now all operational and drilling is proceeding, though not yet up to expectation, say the directors.

All the company's contracts contain escalation clauses and lengthy discussions have taken place to establish appropriate upward adjustments in rates to reflect the cost inflation that has occurred over the past months.

Satisfactory arrangements have been concluded in regard to contracts in Turkey and with Mobil in the North Sea. In Algeria renegotiations have been completed and, while the results are less than hoped for, the arrangements made "should ensure that this part of the company's operations is now under control."

The company has been examining very carefully its overhead costs and the scale of operations in the London office has been substantially reduced over recent months.

	First Half 1976 £000	1975 £000
Turnover	6,638	5,836
Trading profit	320	831
Interest	64	58
Equip. sale loss	140	—
Assoc. loss	86	97
Pre-tax profit	158	792
Tax‡	173	381
Net loss	15	*411
Minorities	—	88
Extra-ord. debit	—	110
From reserves	—	110
Pref. dividends	16	16
Attrib. loss	31	*287

* Profit. ‡ Includes overseas £173,000 (£250,000), U.K. tax nil (£18,000) and transfer to deferred tax account nil (£113,000).

The company's prosperity depends upon satisfactory performance of its drilling contracts and with the renegotiations completed the directors be[lieve] the situation is stabilised and provides a sound basis fo[r] the future.

See Lex

Ega sees further growth

TURNOVER and profits of [Ega] Holdings in the first quart[er of] the current year are running [at a] satisfactory level, but the [chair]man, Mr. F. A. Payne, says in the present economic situ[ation] it is almost impossible to for[ecast] with any accuracy.

Nevertheless he is suffic[iently] optimistic to believe that fu[rther] growth can be expected as [the] benefit of new investment [comes] through.

As known, for the year e[nded] April 30, 1976, pre-tax [profits] increased from £935,000 to £[...] on sales of £6.99m. against £[...].

The plastics division contr[ibuted] £3.97m. to turnover and £7[...] to profits; engineering £[...] and £297,000 and surgical £[...] and £16,000. Investment management contributed £1[...] to profits.

Having secured a strong position, being confident of future growth of the group directors have approved sinc[e] year-end, further expenditu[re of] £410,000 on plant and equip[ment].

Meeting, Birmingham, No[vem]ber 4 at 2.45 p.m.

INVESTMENT TRUST COMPANIES

The information in the columns below is supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures, which are in pence except where otherwise stated, are unaudited

Total Assets less current liabilities (1) £million	Company (2)	Shares or Stock (3)	Date of Valuation (4)	Annual Dividend (5)	Net Asset Value after deducting prior charges at nominal value (6)	at market value (7)	Investment Currency Premium (see note g) (8)
	VALUATION MONTHLY			Pence except where £ stated (see note d)			
136.0	Alliance Trust	Ord. Stock 25p	30/9/76	5.35	231.0	241.5	43.0
21.3	Capital & National Trust	Ord. & "B" Ord. 25p	30/9/76	*3.5	131.0	134.6	21.2
6.8	Claverhouse Investment Trust	Ordinary 50p	30/9/76	2.75	68.2	68.2	1.4
7.4	Crossfriars Trust	Ordinary 25p	30/9/76	2.6	74.2	74.2	—
7.1	Direct Spanish Telegraph	Ordinary 25p	30/9/76	3.8	54.2	54.2	1.6
12.3	Dundee & London Investment Trust	Ordinary 25p	30/9/76	1.85	61.3	63.0	5.7
72.6	Edinburgh Investment Trust	Deferred £1	30/9/76	4.95	215.0	233.5	40.0
37.1	First Scottish American Trust	Ordinary 25p	1/10/76	2.3	x97.0	100.3	19.5
9.4	Grange Trust	Ord. Stock 25p	30/9/76	1.58	75.0	80.5	9.1
51.2	Great Northern Investment Trust	Ordinary 25p	30/9/76	3.3	100.5	103.4	10.3
49.3	Guardian Investment Trust	Ordinary 25p	30/9/76	1.96	79.2	86.0	10.1
79.2	Investment Trust Corporation	Ordinary 25p	30/9/76	4.94	234.4	241.2	47.4
74.8	Investors Capital Trust	Ordinary 25p	30/9/76	1.1	90.7	97.7	20.5
26.7	Jardine Japan Investment Trust	Ordinary 25p	30/9/76	0.8	173.3	173.3	31.0
†	London & Holyrood Trust	Ordinary 25p	30/9/76	†	†	†	†
†	London & Montrose Investment Trust	Ordinary 25p	30/9/76	†	†	†	†
†	*London & Provincial Trust*	*Ordinary 25p*	*30/9/76*	†	†	†	†
‡88.4	Mercantile Investment Trust	Ordinary 25p	30/9/76	0.8	x34.9	41.2	2.8
	Do. Do.	Conv. Deb. 1983	30/9/76	£4.50	£35.80	£81.80	£4.20
44.4	Northern American Trust	Ordinary 25p	1/10/76	2.3	x103.0	107.8	21.4
3.8	Save & Prosper Linked Invest. Trust	Capital Shares	1/10/76	—	79.4	79.4	—
43.3	Scottish Northern Investment Trust	Ordinary 25p	5/10/76	2.3125	92.3	102.9	14.4
94.1	Scottish United Investors	Ordinary 25p	30/9/76	1.55	104.1	109.0	24.8
41.5	Second Alliance Trust	Ord. Stock 25p	30/9/76	4.75	196.5	207.0	37.0
2.5	Shires Investment Co.	Ordinary 50p	30/9/76	6.4	99.7	99.7	—
34.8	Sterling Trust	Ordinary 25p	30/9/76	4.1	x188.1	198.5	34.7
22.3	Technology Investment Trust	Ord. & "B" Ord. 25p	30/9/76	*1.75	110.5	111.8	20.0
59.9	United British Securities	Ordinary 25p	30/9/76	6.85	266.5	269.3	45.1
	Baillie Gifford & Co.						
108.2	Scottish Mortgage & Trust	Ordinary 25p	30/9/76	2.4	133.3	136.0	23.8
83.6	Edinburgh & Dundee Investment	Ordinary 25p	30/9/76	2.8	165.8	170.3	31.1
52.5	Monks Investment Trust	Ordinary 25p	30/9/76	1.05	58.7	59.9	10.1
13.9	Winterbottom Trust	Ordinary 25p	30/9/76	3.5	220.0	243.4	44.8
	Baring Bros. & Co. Ltd.						
†	Outwich Investment Trust	Ordinary 25p	30/9/76	†	†	†	†
23.0	Tribune Investment Trust	Ordinary 50p	24/9/76	10.3	861.9	866.4	188.1
	Cripps Warburg Ltd.						
‡13.5	Sizewell European Invest. Trust	Ordinary 10p	30/9/76	1.4	91.3	91.3	11.5
†	Atlanta, Baltimore & Chicago	Ordinary 10p	30/9/76	†	†	†	†
‡4.2	West Coast & Texas Regional	Ordinary 10p	30/9/76	0.4	x77.9	x77.9	x13.0
	Edinburgh Fund Managers Ltd.						
63.2	American Trust	Ord. & "B" Ord. 25p	30/9/76	*1.0	45.1	47.5	4.4
18.2	Crescent Japan Investment Trust	Ordinary 50p	30/9/76	—	165.4	165.4	28.6
	Electra House Group						
132.6	Cable Trust	Ordinary 25p	30/9/76	4.2	145.9	146.3	12.6
	Do. Do.	Conv. Loan 1985/90	30/9/76	£6.25	£119.60	£119.90	£10.20
59.8	Electra Investment Trust	Ordinary 25p	30/9/76	3.6	110.8	113.2	11.9
102.7	Globe Investment Trust	Ordinary 25p	30/9/76	3.35	x94.0	x99.6	x7.6
	Do. Do.	Conv. Loan 1987/91	30/9/76	£5.50	£74.50	£78.90	£8.90
18.4	Telephone & General Trust	Ordinary 25p	30/9/76	6.5	x172.9	x186.7	x10.0
	Do. Do.	Conv. Loan 1987/91	30/9/76	£6.00	£69.30	£74.90	£4.00
8.8	Temple Bar Investment Trust	Ordinary 25p	30/9/76	4.5	124.0	127.4	7.0
	Do. Do.	Conv. Loan 1985/90	30/9/76	£5.75	£99.20	£101.90	£3.60
	F. & C. Group						
13.8	Alliance Investment	Ordinary 25p	15/9/76	2.01	101.2	106.4	14.8
17.0	Cardinal Investment Trust	Deferred 25p	30/9/76	ox3.0	ox117.1	ox123.7	ox15.8
	Do. Do.	Conv. Ln. Stk. 1985/87	30/9/76	£6.00	£94.80	£100.20	£12.80
5.0	F. & C. Eurotrust	Ordinary 25p	30/9/76	0.6	60.6	60.6	14.5
143.7	Foreign & Colonial Invest. Trust	Ordinary 25p	30/9/76	2.58	176.6	186.9	37.5
23.0	General Investors & Trustees	Ordinary 25p	30/9/76	3.18	110.8	116.6	12.3
	James Finlay Investment Mgmt. Ltd.						
1.3	Provincial Cities Trust	Ordinary 25p	30/9/76	1.21225	25.9	25.9	—
	Gartmore Investment Ltd.						
4.5	Altifund	Income 50p	30/9/76	6.75	101.4	101.4	—
	Do. Do.	Capital 50p	30/9/76	0.3375	131.9	131.9	5.3
21.3	Anglo-Scottish Investment Trust	Ord. & "B" Ord. 25p	30/9/76	*1.4	47.2	50.5	6.8
1.9	Ashmole Investment Trust	Ordinary 25p	30/9/76	1.25	48.1	48.1	3.2
14.2	English & Caledonian Investment	Ordinary 25p	30/9/76	2.3	82.6	86.7	10.2
22.4	English & Scottish Investors	Ord. & "B" Ord. 25p	30/9/76	*1.625	77.7	84.3	9.0
5.7	Group Investors	Ord. & Defd. 25p	30/9/76	1.55	x37.0	x61.3	x8.6
4.9	London & Gartmore Invest. Trust	Ordinary 25p	30/9/76	0.24	76.0	83.0	18.8
9.6	London & Lennox Invest. Trust	Ord. & "B" Ord. 25p	30/9/76	*1.75	85.7	90.2	15.8
17.5	London & Lomond Invest. Trust	Ordinary 25p	30/9/76	1.85	71.5	74.9	9.7
10.6	London & Strathclyde Trust	Ordinary 25p	30/9/76	1.2	47.5	52.5	9.1
7.7	Meldrum Investment Trust	Ordinary 25p	30/9/76	1.5	38.4	38.4	0.6
6.5	Menteith Investment Trust	Ordinary 25p	30/9/76	0.45	16.1	16.1	1.1
7.5	New York & Gartmore Investment	Ordinary 25p	30/9/76	0.3	41.5	41.5	3.4
	Gartmore Investment (Scotland) Ltd.						
60.2	Scottish National Trust	Ordinary 25p	30/9/76	2.75	160.1	165.0	29.6
15.5	Glasgow Stockholders Trust	Ordinary 25p	30/9/76	1.9	113.9	118.3	22.3
	John Govett & Co. Ltd.						
66.8	Border & Southern Stockhldrs. Tst.	Ordinary 50p	30/9/76	4.8	311.1	319.7	48.2
28.7	Debenture Corporation	Ordinary 25p	30/9/76	2.45	87.7	91.3	12.7
9.7	General Stockholders Invest. Trust	Ordinary 12½p	30/9/76	1.3	112.8	125.1	25.4
18.1	Govett European Trust	Ordinary 25p	30/9/76	1.6	90.3	90.3	27.2
49.2	Lake View Investment Trust	Ordinary 25p	30/9/76	1.65	96.5	101.4	15.9
	Do. Do.	Conv. Loan 1973/98	30/9/76	£4.00	£128.70	£135.10	£21.20
27.6	London & Aberdeen Invest. Trust	Prefd. & Defd. 5p	30/9/76	1.75	136.3	168.4	23.7
49.8	Stockholders Investment Trust	Ordinary 25p	30/9/76	1.45	98.7	104.5	18.3
	G.T. Management Ltd.						
14.3	Berry Trust	Ordinary 25p	30/9/76	0.625	x63.4	x64.9	x8.1
	Do. Do.	Conv. Loan 1993	30/9/76	£4.25	£92.00	£94.10	£11.80
‡3.6	Northern Securities Trust	Ordinary 25p	3/10/76	2.45	113.7	120.1	13.6
12.8	G.T. Japan Investment Trust	Ordinary 25p	30/9/76	1.0	172.7	172.7	36.2
	Hambros Group						
†	Bishopsgate Trust	Ordinary 25p	30/9/76	†	†	†	†
†	City of Oxford Investment Trust	Ordinary 25p	30/9/76	†	†	†	†
‡	Hambros Investment Trust	Ordinary 25p	30/9/76	†	†	†	†
8.8	Hellenic & General Trust	Ordinary 10p	30/9/76	1.638	38.0	44.3	—
4.1	Rosedimond Investment Trust	Capital 25p	30/9/76	—	40.7	40.7	1.2
	Henderson Administration Ltd.						
‡107.5	Witan Investment	Ord. & "B" Ord. 25p	30/9/76	*1.65	x93.8	100.9	x18.1
18.9	Electric & General Investment	Ordinary 25p	30/9/76	1.1	85.9	87.9	15.8
4.8	Greenfriar Investment	Ordinary 25p	30/9/76	1.0	88.1	88.1	12.7
4.8	Mendip Investment	Ordinary 25p	30/9/76	1.05	82.5	89.8	12.7
†	Lowland Investment	Ordinary 25p	30/9/76	†	†	†	†
1.6	English National Investment Co.	Preferred 25p	30/9/76	1.5	27.3	29.2	—
	Do. Do.	Deferred 25p	30/9/76	1.1	34.3	41.8	—
	Philip Hill (Management) Ltd.						
†	City & International Trust	Ordinary 25p	30/9/76	†	†	†	†
8.7	General & Commercial Inv. Trust	Ordinary 25p	30/9/76	3.85	134.1	144.7	20.0
‡18.2	General Cons. Investment Trust	Ordinary 25p	30/9/76	2.5	83.1	86.8	11.4
‡95.8	Philip Hill Investment Trust	Ordinary 25p	30/9/76	5.75	x160.9	166.8	11.5
3.3	Moorgate Investment Co.	Ordinary 25p	30/9/76	2.35	60.4	63.4	3.1
32.7	Nineteen Twenty-Eight Inv. Trust	Ordinary 25p	30/9/76	6.45	228.4	240.3	43.4
	Ivory & Sime						
†	British Assets Trust	Ordinary 25p	30/9/76	†	†	†	†
30.0	Edinburgh American Assets Trust	Ordinary 25p	30/9/76	0.75	104.8	108.3	22.6
30.5	Atlantic Assets Trust	Ordinary 25p	30/9/76	0.4	84.1	91.1	21.0
†	Viking Resources Trust	Ordinary 25p	30/9/76	0.75	†	†	†
	Leopold Joseph & Sons Ltd.						
2.8	Anglo-Welsh Investment Trust	Ordinary 50p	30/9/76	1.0	wx43.2	wx50.8	—
4.3	Leopold Joseph Investment Trust	Ordinary 25p	30/9/76	1.25	x42.0	74.4	—
3.7	Thanet Investment Trust	Ordinary 50p	30/9/76	2.4	wx56.5	wx60.3	—
	Keyser Ullmann Ltd.						
24.2	Throgmorton Trust	Ordinary 25p	30/9/76	3.625	48.1	52.7	—
8.0	Throgmorton Secured Growth Tst.	Cap. Loan Stk. £1	30/9/76	—	—	87.1	—
	Lazard Bros. & Co. Ltd.						
†	Embankment Trust	Ordinary 25p	30/9/76	†	†	†	†
46.5	Raeburn Investment Trust	Ord. Stock 25p	30/9/76	3.15	143.8	150.6	24.9
36.9	Romney Trust	Ord. Stock 25p	30/9/76	2.15	102.7	105.7	18.7
	Martin Currie & Co., C.A.						
†	Canadian & Foreign Invest. Trust	Ordinary 25p	30/9/76	2.7	†	†	†
15.9	St. Andrew Trust	Ordinary 25p	30/9/76	3.3	124.4	130.8	21.5
82.3	Scottish Eastern Investment Trust	Ordinary 25p	30/9/76	3.0	141.0	148.4	29.1
†	Scottish Ontario Investment Co.	Ordinary 25p	30/9/76	2.95	†	†	†
†	Securities Trust of Scotland	Ordinary 25p	30/9/76	4.8	†	†	†
2.8	Western Canada Investment Co.	Ordinary 25p	30/9/76	13.0	594.2	610.5	108.1
	Murray Johnstone Ltd.						
39.2	Caledonian Trust	Ord. & "B" Ord. 25p	30/9/76	*1.4	85.1	89.4	17.7
58.7	Clydesdale Investment Trust	Ord. & "B" Ord. 25p	30/9/76	*1.35	80.7	84.0	16.9
17.2	Glendevon Investment Trust	Ord. & "B" Ord. 25p	30/9/76	*1.4	100.5	105.9	19.0
5.5	Glenmurray Investment Trust	Ord. & "B" Ord. 25p	30/9/76	*1.35	80.4	80.4	15.6
17.9	Scottish & Continental Investment	Ordinary 25p	30/9/76	0.6	x70.7	x70.7	x11.7
65.2	Scottish Western Investment	Ord. & "B" Ord. 25p	30/9/76	*1.8	100.5	106.1	20.9
21.3	Second Great Northern Inv. Trust	Ord. & "B" Ord. 25p	30/9/76	*1.6	93.5	98.2	20.5
	Naydale Ltd.						
‡3.1	Simonside Investment Co.	Ordinary £1	30/9/76	0.7	x74.4	x75.1	x10.3
	Schroder Wagg Group						
17.4	Ashdown Investment Trust	Ordinary 25p	30/9/76	3.05	145.2	158.2	24.5
	Do. Do.	Conv. Loan 1988/93	30/9/76	£4.75	£101.60	£107.20	£17.20
23.8	Broadstone Investment Trust	Ordinary 20p	30/9/76	3.65	151.1	162.2	24.4
	Do. Do.	Conv. Loan 1988/93	30/9/76	£4.50	£100.80	£107.50	£16.30
40.1	Continental & Industrial Trust	Ordinary 25p	30/9/76	5.0	204.6	220.8	29.7
24.3	Trans-Oceanic Trust	Ordinary 25p	30/9/76	3.65	181.7	190.9	30.7
	Do. Do.	Conv. Loan 1988/93	30/9/76	£4.50	£113.60	£119.30	£19.20
11.1	Westpool Investment Trust	Ordinary 25p	30/9/76	2.35	114.3	118.8	20.1
	Do. Do.	Conv. Loan 1989/94	30/9/76	£5.00	£102.90	£106.90	£18.10
	Stewart Fund Managers Ltd.						
53.8	Scottish American Investment Co.	Ordinary 50p	30/9/76	1.8	75.0	79.3	11.1
14.1	Scottish European Investment Co.	Ordinary 25p	30/9/76	1.1	49.0	49.0	5.3
	Touche Remnant & Co.						
73.5	Atlas Electric & General Trust	Ordinary 25p	30/9/76	1.3	55.1	58.5	5.4
24.5	Bankers' Investment Trust	Ordinary 25p	30/9/76	2.0	56.1	61.2	8.5
13.4	C.L.R.P. Investment Trust	Ordinary 25p	30/9/76	1.4	69.3	74.0	7.7
‡24.9	Cedar Investment Trust	Ordinary 25p	30/9/76	1.9	68.1	71.1	8.4
26.9	City of London Brewery	Deferred 25p	30/9/76	2.1	48.8	58.6	1.7
24.7	Continental Union Trust	Ordinary 25p	30/9/76	2.3	122.0	128.7	15.9
139.6	Industrial & General Trust	Ordinary 25p	30/9/76	1.24	53.3	56.0	7.3
29.1	International Investment Trust	Ordinary 25p	30/9/76	2.0	x75.7	x81.8	x10.3
38.4	Sphere Investment Trust	Ordinary 25p	30/9/76	2.3	115.6	121.9	19.5
37.8	Standard Trust	Ordinary 25p	30/9/76	4.2	145.8	155.8	25.0
27.1	Trust Union	Ordinary 25p	30/9/76	2.2	106.8	112.1	18.3
49.2	Trustees Corporation	Ordinary 25p	30/9/76	3.4	138.2	145.2	14.9
	VALUATION THREE-MONTHLY						
9.2	General Scottish Trust	Ordinary 25p	30/9/76	2.7	80.7	92.1	13.9
	Do. Do.	Conv. Loan 1995/2000	30/9/76	£5.50	£114.00	£117.00	£17.70
25.0	Hume Holdings	"A" & "B" Ord. 25p	30/9/76	*3.0875	68.2	72.5	0.5
4.6	Kingside Investment Co.	Ordinary 25p	30/9/76	1.75	x42.8	43.9	1.5
1.5	Lancashire & London Investment Tst.	Ordinary 25p	30/9/76	1.375	36.4	36.4	2.0
26.8	London Scottish American Trust	Ord. Stock 25p	30/7/76	3.575	147.3	155.9	19.7
†	Safeguard Industrial Investments	Ordinary 25p	30/9/76	†	†	†	†
4.9	Scottish Cities Investment Trust	Ord. & "A" Ord. 25p	30/9/76	5.75	149.0	153.8	8.0
19.0	United States & General Trust	Ordinary 25p	30/9/76	4.29	207.4	215.1	37.8
47.0	United States Debenture Corporation	Ord. Stock 25p	30/7/76	2.66	100.0	104.1	13.5
	Do. Do.	Conv. Loan Stk. 1993	30/7/76	£3.00	£110.10	£114.50	£14.80
11.6	Yeoman Investment Trust	Ordinary 25p	30/9/76	5.6875	x153.8	162.0	13.2
	Do. Do.	Conv. Loan Stk. 1993	30/9/76	£4.50	£85.30	£89.10	£7.30
3.8	Young Companies Investment Trust	Ordinary £1	30/9/76	2.9	x57.9	x57.9	—
	East of Scotland Invest. Managers						
†	Aberdeen Trust	Ord. Stock 25p	30/9/76	†	†	†	†
9.7	Dominion & General Trust	Ordinary 25p	31/8/76	5.8	205.5	217.4	31.9
22.8	Pentland Investment Trust	Ordinary 25p	31/8/76	2.85	119.3	124.4	19.4
	Kleinwort Benson Ltd.						
15.9	Brunner Investment Trust	Ordinary 25p	30/9/76	2.6	93.8	97.1	13.1
25.8	Charter Trust & Agency	Ordinary 25p	30/9/76	1.55	x57.8	60.9	9.2

AMENDMENT to table published 17/9/76:
Valuation Monthly: Hellenic & General Trust Column (1) should have read £9.2 million.

* Applies to Ordinary "A" Ordinary only. § Includes special dividend. ox Adjusted for scrip issue. or Adjusted for rights issue. † Company will announce year-end or interim results shortly. x, w See note (h) below. ▢ Valuation Two-monthly. ✣ Not directly comparable with previous published figure. δ Dependent on "B" share conversions. ‡ Change in the prior charges since the previous published figure.

Notes:—

(a) Cols. 1, 6, 7	Quoted investments are valued at mid-market prices: unquoted at directors' valuation: both include 100 per cent. of any investment currency premium after taking into account the premium on any surplus or on any shortfall of foreign currency assets against foreign currency loans.
(b) Cols. 1, 6, 7	All revenue account items are excluded.
(c) Cols. 1, 6, 7	No account has been taken of any liability in respect of taxable gains which might arise on future disposal of investments.
(d) Cols 5-8	Amounts are per share/stock unit or per £100 Convertible Loan Stock. Column 5 precisely stated; columns 6-8 to nearest one-tenth of a penny per share and 10p per £100 Convertible Loan Stock.
(e) Col. 5	Dividend is the last declared annual dividend or firm forecast, excluding imputation credit. Interest on loan stocks is stated gross of income tax.
(f) Cols. 6-7	Prior charges are deemed to include preference share capital.
(g) Col. 8	The amount per share/stock unit represented by 100 per cent. of the investment currency premium applied in calculating the valuation for cols. 6 and 7.
(h) Cols. 6-8	Convertible loan/preference stocks and warrants or subscription rights are treated in the way which produces the lower n.a.v. per share. Convertible stocks are treated as fully converted at the rate for the next conversion date, or where a figure is marked "x" all prior charges; warrants or subscription rights are treated as exercised, except where a figure is marked "w".

AITC

A booklet "Investing in Investment Trust Companies" is available from: The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London, EC2M 7JJ.

Sears £4m. behind after betting setback

REFLECTING a sharp drop in profits from the betting shop activities of William Hill and the heavy losses, already known, in the U.S., group pre-tax profits of Sears Holdings for the six months ended July 31, 1976, came out almost £4m. lower at £14.98m.

All divisions are doing their utmost to contain increased costs and overheads and the directors are hopeful that those activities that have not performed well will soon respond to efforts being made to improve profitability. The 1975-76 group profit totalled £46.3m. from which a dividend of 2.1p was paid.

Referring to the U.S. loss they explain that the Highlander knitwear division of Sears Industries suffered a drastic decline in demand and it was necessary to dispose of stocks at less than normal prices.

The general outlook for this activity indicates similar continuing losses for the second half, but a programme to restructure the division is well under way, members are told.

Non-trading items comprise: surplus on disposals of property and investments £144,000 (£124,000), surplus on redemption of loan capital £119,000 (£229,000), and unrealised exchange loss £582,000 (£72,600). In addition to the exchange losses exchange gains, arising on fixed assets less related borrowings, amounting to £1.28m. (£483,000) have been added to reserves.

	First half 1976-77 £000	1975-76 £000
External sales	370,280	325,800
Trading profits:		
Footwear	12,164	8,731
Departmental stores, etc.	5,080	4,758
Engineering	433	775
Motor vehicles, etc.	1,631	1,312
Betting offices	1,397	3,147
Property development	1,880	1,401
Linen hire, indrs. knitwr.	*2,332	784
Making	19,643	20,725
Interest	4,161	4,182
Leaving total	15,281	16,365
Non-trading debit	299	†2,343
Profit before tax	14,982	18,909
Tax	4,700	9,400
Net profits	9,282	9,508
Minorities loss	91	417
Attributable Sears	9,373	9,092

* Loss. † Credit. ‡ Profit.

Results of the subsidiary British Shoe Corporation show an advance from £12.64m. to £16.75m. in pre-tax profit for the half year. The net profit emerged at £7.95m. (£5.54m.).

See Lex

Maclellan

Engineers and steel stockholders, P. and W. Maclellan announces sales of £2.72m. for the first half of 1976, compared with £2.56m. and pre-tax profit down from £81,950 to £51,111.

There is a net surplus of £47,232 from the disposal of land and buildings after providing for all expenses and losses incurred during the period of closure.

The directors expect year-end results to show a significant recovery over last year's £51,354, down from the previous year's £207,805.

The interim dividend for the current year is 0.5p net (same) — the 1975 total was 1.3p.

Edinburgh Trust ahead at halfway

Net available revenue of the Edinburgh Investment Trust improved from £666,000 to £729,000 in the half-year ended September 30, 1976.

The net interim dividend, already reported, is lifted from 2.25p to 2.45p—the total in 1975-76 was 4.95p.

Net assets taking investments at market value and including where applicable the full London dollar premium amounting to £11.09m. (£10.32m. at March 31, 1976) were £72.36m. (£74.07m.).

Net asset value per £1 Deferred stock unit after deducting prior charges at nominal value was 215.0p (222.0p).

Telefusion starts year with better results

FOR THE first few months of the current year Telefusion has produced improving results, reports chairman Mr. J. N. Wilkinson.

He adds that the improved financial position and broader based marketing strategy will give the group the ability to increase its share of the market.

As reported on September 14, pre-tax profit for the year to May 1, 1976 declined from £3.25m. to £1.13m.

Mr. Wilkinson blames the 25 per cent. VAT ract for the fall in profit and says that the reduction of the rate in April came too late to have any impact.

Early in 1976 the company acquired control of Fairview (Television) and Electroman. It now has a total of 257 retail and rental branches operating in the U.K.

At May 1 capital employed had risen to £16.4m. and current liabilities reduced to £16.7m.

Cash flow from operations during the year amounted to £7.7m. which was more than adequate for new rental and other investment requirements.

Meeting, Conaught Rooms, WC, on November 11 a t12.30 p.m.

Wire & Plastic setback

Turnover of Wire and Plastic Products for the first half of 1976 expanded from £549,625 to £680,947 but pre-tax profit shows a £17,023 reduction at £103,417.

The interim dividend per 10p share is held at 0.7p net. Last year's total payment was 1.76p from profits of £248,647.

After tax for the six months of £47,964 against £62,329 the net balance comes through at £55,453 compared with £58,111.

Upturn at Second Broadmount

Gross receipts of Second Broadmount Trust increased from £170,850 to £193,011 in the year ended September 14, 1976 and profits were £176,671 against £156,094 before tax of £63,683 (£54,255).

Earnings per 5p share are 1.05p (0.92p) and the net final dividend is 0.61p making a total of 0.8765p against 0.77p previously.

Geers Gross ahead in first half

Advertising agents etc., Geers Gross reports pre-tax profits from £64,100 to £92,253 in the half year to June 30, 1976. Turnover improved sharply from £2.97m. to £4.08m.

The net interim dividend is effectively maintained at 0.73p per 10p share—last year's total was equal to 2.101p from record pre-tax profits of £221,225.

The directors say the first half figures would have been better but for an unexpected first half loss from a subsidiary company. Remedies have already been taken to correct that situation.

Trading has somewhat slackened during the second half of the year. However, it is still up on last year and the Board believes the full year will produce more than satisfactory results.

The profit is after depreciation of £23,736 (£18,666). Tax takes £59,800 (£36,900) and amortisation of short leases £9,926 (£9,926 same), leaving net profit at £22,527 (£17,274).

Maurice James sees similar result

Profits of Maurice James Holdings improved from £155,000 to £160,000 in the first half of 1976 before tax of £83,200 against £80,600. For the current year, the directors expect profits to be similar to the £260,852 reported in 1975.

The net interim dividend is held at 0.975p—the previous total was 2.574p. Waivers on the interim dividend have been received in respect of 1,063,759 shares.

Turnover for the first half was £1.81m. against £1.14m. The group has interests in road haulage, waste disposal, packaging and storage.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£10¼	830	AmericanMedInt.Inc($1)	895	+9	Q24c	—	1.5	—
—	F.P.	—	229	£21⅝	Berry Pacific Fd. US$1	£26½	−½	40c	—	0.8	—
80p	F.P.	12/10	70	58	Borthwick (Thos.) 50p	58	......	b5.5	2.0	14.8	5.2
—	F.P.	—	£30¼	£26¾	Dentsply Int. Inc. ($1)	£27⅞	+⅜	—	—	—	—
—	F.P.	—	£31⅜	£25⅛	Emmark $US1	£26½	+⅞	Q$1.32	—	3.2	—
‡‡	F.P.	—	132	96	Tolax S.A. 11	150	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
£98.5	F.P.	29/10	97½	97	Eastbourne Waterworks 9% Red. Pref. '83	97	......
US$99	F.P.	—	$99	$98½	Gotaverken 8½% Notes 1985	$99	......
US$100	F.P.	—	LF99	LF98	Ind. Fund of Finland 9% Guar. Notes '84	LF99	......
‡‡£94	£10	4/2	11½	10½	Mid-Sussex Water 8% Red. Pref. 1981	10½	......
£97	F.P.	28/10	98¾	97	Mid-Sussex Water 14½% Red. Deb. 1982	98	+½
—	F.P.	—	97½	96½	Tate & Lyle 13% 1994-99	96½	......
£99	£25	19/11	25¼	24	York Water 15% Red. Deb. 1984	24	......

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Dates †	‡	1976 High	1976 Low	Stock	Closing Price p	+ or −
10	F.P.	15/10	5/11	41½	28pm	Armstrong Equipment	30	......
$A3.56	Nil	5/11	—	190	118	Bank N.S. Wales	138pm	+11
115	F.P.	15/10	12/11	138	114	Black & Edgington	114	−½
10	F.P.	27/9	12/11	11	8	Bonser Webb	9	......
$A4	Nil	—	3/12	385	300	Broken Hill Props	320pm	+10
50	Nil	22/10	12/11	6	3	Brown (Matthew)	5pm	......
27	F.P.	24/9	5/11	32	28	Buckleys Brew	28	−1
$A1.75	Nil	29/10	12/11	120	55	Comm. Bk. Aust	88pm	+8
25	Nil	22/10	10/12	5	1½	Fairbairn Lawson	2pm	......
124	Nil	—	—	2¼	¼	General Accident	1½pm	−½
100	Nil	—	—	2½	¼	Howden (Alexander)	3pm	−½
40	Nil	22/10	—	27	22	Lonrho	23pm	......
30	F.P.	26/9	15/10	46½	35	Milton Estates	36	......
25	F.P.	1/10	3/11	30	22	P.M.A.	23	−1
20	Nil	8/10	12/11	6¾	5	Shakespeare (J)	25pm	......
60c	Nil	—	—	18	3	S.A. Land & Exp.	8pm	−1
$A1.28	F.P.	18/6	—	141	85	Western Mining	104	+7
5	F.P.	24/9	18/10	8	½	Whatlings	5½	......
70c	P.Pd	—	—	94	47	Woodside-Burmah	83	+7

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. Q Gross. τ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ⁂ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ⁂ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. ≠ With warrants. ◈ After suspension.

J.B.Eastwood Limited

Sir John Eastwood, Chairman, reports:

- The results for the financial year to 26th March, 1976 show a record profit for the Group.
- The Balance Sheet continues to show a strong position.
- Short of unexpected political activity, there is nothing that leads us to expect any reduction in the current satisfactory level of profitability. We remain confident of the longer term future and of our ability to compete under whatever circumstances.

	1976 £000	1975 £000
Turnover	116,260	96,529
Profit (loss) before taxation	7,002	(544)
Profit (loss) after taxation	3,389	(263)
Final Dividend	2.2885p	2.07595p
Total Distribution	3.4385p	3.12595p
Earnings (loss) per share	14.94p	(1.16p)

Copies of the Report and Accounts are available from The Secretary, Burns Lane, Warsop, Mansfield, Nottinghamshire.

BIDS AND DEALS

U.S. court to rule on Babcock

A U.S. judge in the District Court in Baltimore, Maryland, is expected to decide to-day whether to allow the contested bid by Babcock and Wilcox for Loughborough cranemakers Herbert Morris to go ahead.

A temporary injunction was sought and obtained by Morris 10 days ago under the U.S. anti-trust laws on the basis that if the company is absorbed into Babcock it would be anti-competitive because of the existing Babcock interests in North America. This mainly refers to American Chain and Cable (ACCO), which was acquired by Babcock last November, and which has some crane manufacturing operations.

The judge's ruling is likely to generate a good deal of interest in the U.K. If the injunction is upheld it will create a precedent, in that U.S. legislation will have prevented one U.K. company from taking over another. It could mean that any British company on the receiving end of an unwelcome bid from a company with U.S. interests could have the offer blocked merely on the basis that the bidee exports, or is intending to export, to the U.S.

As a test case, the U.K. authorities will have to decide—if the bid is blocked—whether or not to intervene. This could have implications for the Foreign and Commonwealth Office, the Department of Trade, the Office of Fair Trading and the Takeover Panel.

At the moment, the Office of Fair Trading is considering whether to recommend reference of the Babcock bid for Morris to thet Monopolies Commission. A decision is expected in around a fortnight's time.

EMI EXPANDS IN BRAZIL

New EMI offices are being opened in Rio de Janeiro including a recording studio which should be completed in the spring of 1977 and will incorporate the latest technology.

The new complex, at a total cost of £914,000, will replace and bring together head office and recording facilities now located in separate buildings in Rio de Janeiro.

JARDINE MATHESON

Jardine Matheson Insurance Brokers (U.K.) has acquired the whole of the issued share capital of Pickford Dawson and Holland, insurance brokers at Lloyds. Profits before tax for the year to September 30, 1975, were £135,000.

AVANA-ACME

Avana Group has completed the purchase of Acme Investments for £1,102,078 cash. The unaudited balance sheet of Acme at September 20, 1976, showed net tangible assets of £1,077,076 consisting almost entirely of deposits with Commercial Bank of Wales.

TATE & LYLE BUYS U.S. AND CANADIAN INTERESTS

Cane sugar refiners, Tate and Lyle plans to buy two Canadian packaging companies, Merry Packaging of Dom Mills and Holway Paper Box Manufacturing of Agancourt, through its Canadian subsidiary Redpath Industries.

It has also bought a 30 per cent. stake in Refined Syrup and Sugars of New York.

The company gave no details of the cost involved or the method of financing the purchases.

SHARE STAKES

The National Farmers Union Mutual Insurance Society is interested in £49,600 (12.4 per cent.) of Grange Trust 5 per cent. Cumulative Preference stock.

J. H. Vavasseur Group has purchased 7,500 Ordinary shares of Mills and Allen Intl., bringing their interest to 7,307,500 shares (78.77 per cent.).

Reed Intl. purchased a further 2,500 Ordinary shares of London and Provincial Poster Group on October 11, 1976, making their total interest 1,691,116 shares (48.21 per cent.).

Share build-up worries Wood Bastow

Wood Bastow, the textile manufacturer and Marks and Spencer supplier, has expresesd concern about the build-up of nominee shareholdings in the company in recent months. The share register shows that five nominee companies hold in aggregate about 30 per cent. of the capital. This, says the company, follows the sale of around 5 per cent. of the capital formerly held by ICFC.

The directors of Wood Bastow, who together with their families control up to 45 per cent. of the equity, have asked for but been refused the identity of the interests behind the nominee companies. They add that the Board has not received any approaches which may lead to an offer for the company.

Lyle Shipping recently took the drastic step of dis-enfranchising the votes of nominee shareholders according to its own articles of association.

T. TILLING BUYS CAPE (WARWICKS)

Thomas Tilling has acquired the entire issued share capital of Cape (Warwick) Holdings, suppliers of medical equipment and clean air filtration engineers, for 1,351,724 Tilling Ordinary shares (ex interest for 1976) and £375,000 cash.

For the year to June 30, 1976, the CW group earned pre-tax profits of £451,000 on sales of £5.3m.

DOWDING & MILLS LIMITED

Summary of results year ended 30th June 1976

	1976	1975
Sales	£7,544,274	£7,217,407
Profit before Tax	£1,098,432	£1,229,936
Retained Profit	£214,271	£319,244
Pence per share		
Net Assets	9.150	8.770
Earnings after Tax	1.790	2.070
Net Dividends	0.963	0.875

The Directors recommend a final dividend of 10.26% making a total for the year of 19.26% against 17.50%.

The A.G.M. will be held at the Chamber of Commerce, Birmingham, at 12.30 p.m. on Monday, 8th November 1976.

Copies of the Report and Accounts may be obtained from the Secretary at the Registered Office, Camp Hill, Birmingham, B12 0JJ.

DOWDING & MILLS

Union Corporation Group

Directors' Reports of Gold Mining Companies for the quarter ended 30th September, 1976.

LESLIE GOLD MINES LIMITED

Issued Capital R10,400,000 in shares of 65 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Twelve months ended 30th Sept 1976
Ore Milled (t)	310,000	310,000	1,230,000
Gold produced – kg.	1,445	1,426	5,677
Yield – (g/t)	4·66	4·60	4·62
Revenue per ton milled	R15·59	R15·89	R16·36
Cost per ton milled	R13·00	R12·81	R12·51
Profit per ton milled	R2·59	R3·08	R3·85
Working revenue	R4,833,000	R4,925,000	R20,125,000
Working costs	R4,030,000	R3,972,000	R15,393,000
Working profit	R803,000	R953,000	R4,732,000
Net sundry revenue	R34,000	R67,000	R203,000
PROFIT before taxation and lease consideration	R837,000	R1,020,000	R4,935,000
Taxation and lease consideration	R336,000	R501,000	R2,480,000
PROFIT after taxation and lease consideration	R501,000	R519,000	R2,455,000
Capital expenditure	—	—	—
Dividend declared	—	—	R1,440,000
Loan Levy (recoverable)	R37,000	R55,000	R271,000
DEVELOPMENT:			
Advanced (m)	798	734	2,693
Sampling results:			
Sampled (m)	310	282	780
Channel width (cm)	15	14	14
Av. value . g/t	31·1	42·6	35·1
cm.g/t	466	597	491
Payable:			
Percentage	21	41	25
Channel width (cm)	25	17	22
Av. value: g/t	34·3	52·5	39·8
cm.g/t	857	892	876

Reduction of Capital

The reduction of capital of 5 cents per share authorised by members on 18th June, 1976 has received Court approval. This amount will be paid on or about 4th November, 1976.

Ore Reserves

The ore reserves have been re-estimated at 30th June 1976, with the following results:–

	Gold Price per kg	Metric Tons	Assay Value g/t	Est Stoping Width Cms
Kimberley Reef	R2,800	1,700,000	7·5	124
Kimberley Reef	R3,500	2,300,000	7·0	124

THE GROOTVLEI PROPRIETARY MINES LIMITED

Issued Capital R3,431,645 stock in units of 30 cents each

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Nine months ended 30th Sept. 1976
Ore Milled (t)	392,000	438,000	1,263,000
Gold produced – kg.	1,411	1,358	4,111
Yield – (g/t)	3·60	3·10	3·25
Revenue per ton milled	R11·34	R10 71	R10·96
Cost per ton milled	R10·97	R9·40	R9·72
Profit per ton milled	R0·37	R1·31	R1·24
Working revenue	R4,445,000	R4,693,000	R13,845,000
Working costs	R4,302,000	R4,118,000	R12,276,000
Working profit	R143,000	R575,000	R1,569,000
Net sundry expenditure	R1,000	R15,000	R23,000
PROFIT before taxation and lease consideration	R142,000	R560,000	R1,546,000
Taxation and lease consideration (overprovision)	R(94,000)	R136,000	R335,000
PROFIT after taxation and lease consideration	R236,000	R424,000	R1,211,000
Capital expenditure	R22,000	R45,000	R169,000
Dividend declared	—	R458,000	R458,000
Loan Levy (recoverable) (overprovision)	R(13,000)	R19,000	R46,000
DEVELOPMENT (Kimberley Reef):			
Advanced (m)	605	1,043	2,748
Sampling results:			
Sampled (m)	373	605	1 581
Channel width (cm)	30	28	26
Av. value: g/t	26·4	32 6	29·4
cm.g/t	791	913	765
Payable:			
Percentage	57	63	55
Channel width (cm)	33	30	29
Av value: g/t	34·4	41·1	39·1
cm.g/t	1,135	1,233	1,133

Dividend

Dividend of 4 cents per unit of stock was paid on 6th August, 1976.

Capital Expenditure

Commitments in respect of contracts placed	R34,000
Amounts approved in addition to commitments	R68,000

MARIEVALE CONSOLIDATED MINES LIMITED

Issued Capital R2,250 000 in shares of 50 cents each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Nine months ended 30th Sept. 1976
Ore Milled (t)	270,000	270,000	810,000
Gold produced – kg.	891	891	2,646
Yield – (g/t)	3·30	3 30	3·27
Revenue per ton milled	R10·34	R11·43	R11·04
Cost per ton milled	R9·57	R9·50	R9·49
Profit per ton milled	R0·77	R1·98	R1·55
Working revenue	R2,790,000	R3,099,000	R8,941,000
Working costs	R2,583,000	R2,565,000	R7,686,000
Working profit	R207,000	R534,000	R1 255,000
Net Sundry revenue	R14,000	R6,000	R44,000
PROFIT before taxation and lease consideration	R221,000	R540,000	R1,299,000
Taxation and lease consideration	R56,000	R232,000	R552,000
PROFIT after taxation and lease consideration	R165,000	R308,000	R747,000
Capital expenditure	—	—	—
Dividend declared	—	R135,000	R136,000
Loan Levy (recoverable)	R8,000	R32,000	R76,000

Dividend

Dividend of 3 cents per share was paid on 6th August, 1976.

Reduction of Capital

The reduction of capital of 10 cents per share was paid on 6th August, 1976.

Notice of cessation of Mining Operations

The Directors have given the Minister of Mines the statutory three months notice required in terms of the Mining Rights Act No. 20 of 1967 of the possible discontinuance of mining operations. It is nevertheless the intention to continue mining operations for as long as they can be conducted profitably

WINKELHAAK MINES LIMITED

Issued Capital R12,000,000 in shares of R1 each.

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Twelve months ended 30th Sept 1976
Ore Milled (t)	510,000	510,000	2,015,000
Gold produced – kg.	4,080	3,774	15,416
Yield – (g/t)	8·00	7·40	7·65
Revenue per ton milled	R25·19	R25·56	R26·50
Cost per ton milled	R11·93	R11·35	R11 18
Profit per ton milled	R13·26	R14·21	R15·32
Working revenue	R12,847,000	R13,038,000	R53,396,000
Working costs	R6,085,000	R5,739,000	R22 525,000
Working profit	R6,762,000	R7,249,000	R30 371,000
Net sundry revenue	R372,000	R365,000	R1 307,000
PROFIT before taxation and lease consideration	R7,134,000	R7,614,000	R32,178,000
Taxation and lease consideration	R4,393,000	R4,755,000	R20,088,000
PROFIT after taxation and lease consideration	R2,741,000	R2,859,000	R12,090,000
Capital expenditure	R37,000	R24 000	R140,000
Dividend declared	R3,360,000	—	R9,120,000
Loan Levy (recoverable)	R476,000	R515 000	R2,173,000
DEVELOPMENT:			
Advanced (m)	1,672	1,549	5,776
Sampling results			
Sampled (m)	471	391	1,311
Channel width (cm)	63	62	60
Av value g/t	26·7	22·4	23·2
cm.g/t	1,680	1 388	1,393
Payable.			
Percentage	83	80	76
Channel width (cm)	67	64	68
Av. value: g/t	27·3	24 3	24·0
cm.g/t	1,830	1 555	1,631

Dividend

On 10th September, 1976, Dividend No. 33 of 28 cents per share was declared payable to members registered at 24th September, 1976. Dividend warrants will be posted on or about 4th November, 1976.

Capital Expenditure

Amounts approved by the Directors but not contracted for: R47,000

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1976, with the following results:–

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms
Kimberley Reef	R2,800	5,400,000	10·4	145
Kimberley Reef	R3,500	6,700 000	9·4	145

BRACKEN MINES LIMITED

Issued Capital R12,600,000 in shares of 90 cents each

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Twelve months ended 30th Sept. 1976
Ore Milled (t)	260,000	248,000	1,018,000
Gold produced – kg	1,925	1 836	7,687
Yield – (g/t)	7·40	7 40	7·55
Revenue per ton milled	R24·54	R25 64	R26·43
Cost per ton milled	R12·65	R12 86	R12·40
Profit per ton milled	R11·89	R12·78	R14·03
Working revenue	R6,380,000	R6 358,000	R26,910,000
Working costs	R3,289,000	R2,189,000	R12,623,000
Working profit	R3,091,000	R3 169 000	R14,287,000
Net sundry revenue	R143,000	R194 000	R629,000
PROFIT before taxation and lease consideration	R3,234,000	R3,363,000	R14,916,000
Taxation and lease consideration	R1,962,000	R2 016,000	R9,194,000
PROFIT after taxation and lease consideration	R1,272,000	R1 347,000	R5,722,000
Capital expenditure	—	—	—
Dividend declared	R420,000	-	R3,500,000
Loan Levy (recoverable)	R213,000	R218 000	R995,000
DEVELOPMENT.			
Advanced (m)	310	522	1,663
Sampling results			
Sampled (m)	92	206	584
Channel width (cm)	32	40	52
Av. value g/t	16·3	24 7	22·9
cm.g/t	521	987	1,192
Payable			
Percentage	26	66	69
Channel width (cm)	46	45	59
Av value g/t	21·1	26 6	25·4
cm.g/t	970	1 225	1,498

In future in view of the insignificant amount of development that will take place in the lease area, it has been decided to discontinue reporting development results.

Dividend

On 10th September, 1976, Dividend No. 28 of 3 cents per share was declared payable to members registered at 24th September, 1976. Dividend warrants will be posted on or about 4th November, 1976.

Reduction of Capital

The reduction of capital of 10 cents per share authorised by members on 23rd July, 1976 has received Court approval. The amount will be paid on or about 4th November, 1976

Ore Reserves

The ore reserves have been re-estimated at 30th June 1976, with the following results –

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est Stoping Width Cms
Kimberley Reef	R2,800	1,300,000	10·7	118
Kimberley Reef	R3,500	1 700,000	9 2	118

UNISEL GOLD MINES LIMITED

Stated Capital 28 000,000 shares of no par value.

Shaft

At the end of the quarter the Shaft had reached the depth of 1,433 metres Station cutting on Nos. 3 and 4 Levels has been completed

General

Installation of the rock hoist, the turbo compressor and the building of the shaft offices have been completed. A total of 72 rooms has been erected in the hostel.

Expenditure

Expenditure on Shafts, Plant and Equipment and General Expenditure amounted to R2,520,000 (to date R19,223,000).

Commitments in respect of contracts placed	R6,553,000
Amounts approved in addition to commitments	R22,477 000

KINROSS MINES LIMITED

Issued Capital R18,000,000 stock in units of R1 each

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Twelve months ended 30th Sept. 1976
Ore Milled (t)	344,000	390,000	1,494,000
Gold produced – kg.	2,612	2,886	11,122
Yield – (g/t)	7·60	7·40	7·45
Revenue per ton milled	R24·41	R25·74	R26·17
Cost per ton milled	R14·05	R12·13	R12·20
Profit per ton milled	R10·36	R13·61	R13·97
Working revenue	R8,398,000	R10,038,000	R39,098,000
Working costs	R4,834,000	R4,729,000	R18,225,000
Working profit	R3,564,000	R5,309,000	R20,873,000
Net sundry revenue	R167,000	R201,000	R636,000
PROFIT before taxation and lease consideration	R3,731,000	R5,510,000	R21,509,000
Taxation and lease consideration	R1,140,000	R2,384,000	R8,955,000
PROFIT after taxation and lease consideration	R2,591,000	R3,126,000	R12,554,000
Capital expenditure	R1,476,000	R1,395,000	R8,095,000
Dividend declared	R2,160,000	—	R5,760,000
Loan Levy (recoverable)	R130,000	R269,000	R1,012,000
DEVELOPMENT.			
Advanced (m)	1,392	1,571	5,196
Sampling results.			
Sampled (m)	447	534	1,784
Channel width (cm)	51	33	40
Av value g/t	25·2	22·8	28·3
cm.g/t	1,287	752	1,131
Payable			
Percentage	72	50	63
Channel width (cm)	55	38	44
Av value g/t	28·2	28·9	34·6
cm g/t	1,553	1,099	1,523

Dividend

On 10th September, 1976, Dividend No. 17 of 12 cents per unit of stock was declared payable to members registered at 24th September, 1976. Dividend warrants will be posted on or about 4th November, 1976.

Capital Expenditure

No. 2 Shaft – The equipping of the shaft steel work was completed during September and necessary alterations to the headgear steel work and sheave wheels are now in progress.

Commitments in respect of contracts placed R128,000

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1976, with the following results:–

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est. Stoping Width Cms
Kimberley Reef	R2,800	4,300,000	10·2	130
Kimberley Reef	R3,500	5,300,000	9·3	130

Labour

During July, due to disturbances in the hostel, 1,030 Blacks left the mine either as deserters or as time expired workers. Due to the severe labour shortage experienced, the tonnage milled dropped significantly.

ST. HELENA GOLD MINES LIMITED

Issued Capital R9 625,000 in shares of R1 each

OPERATING RESULTS:	Quarter ended 30th Sept. 1976	Quarter ended 30th June 1976	Twelve months ended 30th Sept 1976
Ore Milled (t)	570,000	565,000	2,260,000
Gold produced – kg	6,898	6,385	26,052
Yield – (g/t)	12·10	11·30	11·53
Revenue per ton milled	R36·85	R39·24	R39·66
Cost per ton milled	R13·58	R13·50	R13·33
Profit per ton milled	R23·27	R25·74	R26·33
Working revenue	R21,008,000	R22,170,000	R89,631,000
Working costs	R7,743,000	R7,627,000	R30,124,000
Working profit	R13,265,000	R14,543,000	R59,507,000
Net sundry revenue	R449,000	R340,000	R1,481,000
PROFIT before taxation and lease consideration	R13,714,000	R14,883,000	R60,988,000
Taxation and lease consideration	R4,781,000	R5,634,000	R26,464,000
PROFIT after taxation and lease consideration	R8,933,000	R9 249,000	R34,524,000
Capital expenditure	R5,039,000	R5,175,000	R17,006,000
Dividend declared	R5,775,000	—	R16,363,000
Loan Levy (recoverable)	R587,000	R666,000	R3,114,000
DEVELOPMENT (Basal Reef):			
Advanced (m)	1,997	1,661	6 882
Sampling results.			
Sampled (m)	379	258	1,240
Channel width (cm)	97	52	76
Av value g/t	16·7	27 8	33 2
cm g/t	1,616	1,446	2 521
Payable			
Percentage	50	46	55
Channel width (cm)	83	33	62
Av value g/t	30·1	75·9	63·8
cm g/t	2,499	2,506	3,954

Dividend

On 10th September 1976, Dividend No. 42 of 60 cents per share was declared payable to members registered at 24th September 1976. Dividend warrants will be posted on or about 4th November, 1976.

Capital Expenditure

Commitments in respect of contracts placed	R1,831,000
Amounts approved in addition to commitments	R3,134,000

Ore Reserves

The ore reserves have been re-estimated at 30th June, 1976, with the following results:

	Gold Price per kg.	Metric Tons	Assay Value g/t	Est Stoping Width Cms.
Basal Reef	R2,800	7 500,000	16·8	164
Basal Reef	R3,500	9,300,000	14·8	164

Labour

Following black labour disturbances on St. Helena Gold Mines Limited from 11th to 14th July, 1976, the work force on the mine was reduced to less than 90 per cent of requirements. However, the rate of tonnage milled was maintained largely through a temporary reorganisation of labour. In addition, stoping was concentrated in higher grade areas which resulted in a slight increase in the output of gold.

Adjustments have been made to the payable development metres and values to conform with those applied in the estimation of ore reserves and are based on R3,500 per Kilogram or approximately $125.19 per ounce.

All the above companies are incorporated in the Republic of South Africa.

L. W. P. van den Bosch, E. Pavitt — Directors.

London Secretaries: Princes House, 95 Gresham Street, London EC2V 7BS.

14th October, 1976

JONES STROUD

(HOLDINGS) LIMITED

"We anticipate that the results for the current year will compare favourably with those of last year."

Mr. Philip L. Jones, Chairman, makes the following points in his statement to shareholders.

Results

After eight successive years of increased profits it is disappointing to have to report that the Group Profit before taxation for the year ended 31st March 1976 was £1,718,742 compared with £2,071,846 for the previous year. We have experienced a severe recession which has adversely affected nearly every company in the Group. A total dividend of 3.8p net per share is recommended which is the maximum permitted.

Acquisitions

During the year the Share Capital of the J. Beam Group was acquired for cash together with a 49% interest in Dimec Inc. of Canada. Since the year end an offer has been made for the whole of the issued share capital of J. & J. Cash of which 41% is already owned by Jones Stroud.

Future Prospects

It is hoped that the profit for the current year will approximate to that earned in 1974/75, most of this improvement taking place in the second half of the year.

Copies of the Annual Report may be obtained from The Secretary, Jones Stroud (Holdings) Limited, Vida Mills, New Street, Long Eaton, Nottingham NG10 1HF.

Warne Wright Group

INTERIM STATEMENT

The unaudited trading results of the Group for the six months ended 30th June, 1976 are:-

	6 months to 30.6.76 £000's	6 months to 30.6.75 £000's	12 months to 31.12.75 £000's
Group Turnover	7,809	6,559	12,954
Profit before tax	557	477	1,112
Profit after tax	267	229	520
Dividends			
Preference Shares	5	5	10
Ordinary Shares	74 (Interim)	68 (Interim)	135 (Total)
Profit retained	188	156	375

Most companies in the Group have healthy order books and if no unforeseen event occurs the results for the second half of the year should be at least equal to those of the first six months.

Warne, Wright & Rowland Ltd.
Keeley Street, Birmingham B9 4HP

INTL. FINANCIAL AND COMPANY NEWS

Export orders in Europe boost turnover at M.A.N.

BY NICHOLAS COLCHESTER

BONN, Oct. 14.

PRELIMINARY figures from M.A.N., the West German constructor of machinery, diesel engines and lorries, show that the company and its consolidated subsidiaries achieved a 19 per cent. increase in sales to DM5.95bn. in the year that ended at the end of June, 1976. The company alone recorded a turnover increase of 21 per cent. to DM3.61bn. Forty-two per cent. of this turnover was in the form of export sales.

Partly because of the effects of a Government programme to boost investment spending which came to an end just before the beginning of M.A.N.'s latest financial year, the order intake for 1975-76 was below that of the previous year. Nevertheless the company booked DM3.69bn. worth of orders—down from DM4.3bn. Of these orders 47 per cent. came from abroad.

At the end of June the company and its subsidiaries had a total order book of DM6.56bn.

M.A.N.'s lorry sales rose 20 per cent. in the year under review, and in the case of lorries of more than eight tons weight, the climb in sales was 30 per cent. The management explains that demand for lorries at home certainly picked up but did not reach the "normal" pre-recession level. There was stronger demand from traditional European customers, but in the Middle East the lorry requirement seemed to be diminishing.

Orders for diesel motors were decisively affected by the situation in the shipbuilding industry and by demand for diesel generating sets. The problems of the German shipyards were reflected in the orders for ship diesels, but on the other hand there was a lively export demand for diesel driven power stations.

Among other areas touched upon in the M.A.N. preliminary report is the secret business of supplying the centrifuge uranium enrichment machines to Urenco, the European enrichment venture. The management reports that delivery of the first batch of machines is now complete and that they are running successfully. M.A.N. is now starting on a second batch and is developing a newer type of centrifuge with more economic characteristics.

In contrast to the fairly encouraging figures from M.A.N. the Metal Working Industry Federation to-day published a rather gloomy report stating that the overall mood in the industry is deteriorating. It maintains that business activity in the metal working sector is being maintained only by exports.

Second quarter exports orders were 7 per cent. up on those in the first quarter, but inland orders were 7 per cent. down. Inland orders to the machinery manufacturers, the Federation claimed, had been falling since the middle of 1975 and the latest figures showed them to be 10 per cent. below the level at the beginning of 1975.

Robeco investing in U.S., Far East

BY MICHAEL VAN OS

AMSTERDAM, Oct. 14.

DUTCH - BASED Robeco, Europe's largest investment complex, said in its second interim report out to-day that in response to world economic progress it had further enlarged investments in America and the Far East (including Australia). However it had cut back further in Europe with the exception of Germany.

The company said in Rotterdam that its total net assets had risen by about Fls.400m. to Fls.4.413bn. in the period from January 1, 1976, to September 1. The value per share remained fairly stable, rising to Fls.192 (Fls. 188) in the period when in all 810,427 new shares were issued.

Robeco said that income from dividends had been "satisfactory" and sufficient to justify an interim dividend of, once again, Fls. 7.40 per share. As previously, the board intends to propose a stock dividend chargeable to the share premium reserve in March next year.

To-day's statement shows that at present, 74 per cent. of the fund's net assets are invested in America, the Far East and Germany. As at September 1, 1976, 40.1 per cent. was invested in America, compared with 35.1 per cent. on January 1, 1976, and 32.3 per cent. a year ago, 19.3 per cent. in the Far East (18.4 per cent. and 15.5 per cent., respectively), and 32.3 per cent. in Europe (40.6 per cent. and 44 per cent.). It is noted that in Australia (mining), investments were also stepped up too, although industrial holdings were cutback.

On Europe, the Robeco interim report said it was a matter of some doubt whether West European countries, which have been less successful than German's in restraining inflation, will be able to keep in step with the German trend. "We have therefore reduced our interests in the rest of Europe by over Fls.100m.," said Robeco, adding that it had also terminated forward exchange transactions in French and Belgian francs and Danish crowns.

The company noted that if the percentage invested in Dutch internationals was added to the percentage invested outside Europe (excluding Germany), the figures rose to 85 per cent. from 74 per cent.

The statement showed that in the period, sales of over Fls.5m. in Europe included investments in ACF holding and BOLS in Holland, Finextel and Thomson-Brandt in France. Major purchases were restricted to the U.S., Canada, Japan, Australia and Hong Kong.

In Britain, where Robeco has invested less than in Germany, France, Holland or Belgium, minor modifications included the purchase of 100,000 shares in General Electric Co., and the sale of 50,000 share Royal Insurance.

Building for stock admitted at AB Gotaverken

BY JOHN WYLES, SHIPPING CORRESPONDENT

AB GOTAVERKEN, Sweden's biggest shipbuilding company, has ordered materials for a series of ships which will be built under the country's controversial building for stock scheme.

First public confirmation of this move was given to the Financial Times in London yesterday by Mr. Hans Laurin, the company's managing director and chairman of the Swedish Shipbuilders Association. Vague reports have been circulating for some time that Gotaverken planned to build eight dry cargo vessels of 44,000 deadweight tons but Mr. Laurin made it clear that at this stage he is keeping all options open as far as ship specification is concerned.

Mr. Laurin is leading a seven-man team from Gotaverken visiting London for three days to talk to shipbrokers and potential customers. In common with most other West European shipbuilders, Gotaverken is urgently in need of new orders to assure continuity of production.

The building for stock scheme was partly designed to tide Sweden's shipbuilding industry through the slump in world shipbuilding demand. But it is also being used as a means of restructuring and contracting the industry which in recent years has been second to Japan in total output.

The Swedish government acquired a 51 per cent. holding in Gotaverken from the Salen group earlier this year at the same time as it took over the failing Eriksberg yard. This will be closed when its order book is finished and its 4,000 blue collar workers transferred to Gotaverken's Arendal and City yards.

In order to qualify for the government guarantees which underwrite the building for stock scheme, Gotaverken is now starting its 30 per cent. reduction in capacity. Although Mr. Laurin does not expect the change of Government in Sweden to alter the direction of its shipbuilding policy, there is some dispute at the moment as to whether the government should guarantee 70 or 80 per cent. of the vessel's price.

When the scheme was announced at the beginning of the year, 70 per cent. was the guarantee figure, but the shipbuilders apparently regard this as flexible and Gotaverken's negotiations with the government for its ships will be a test case.

As chairman of the Shipbuilders Association, Mr. Laurin will be urging Sweden's new government to launch an international initiative aimed at encouraging a reduction in capacity throughout the West European shipbuilding industry.

He thinks the recent failure of talks in Rome between the Association of West European Shipbuilders and the Japanese Shipbuilders Association was due partly to the fact that no European country, apart from Sweden, has showed signs of responding to Japan's planned production cutback.

EUROBONDS

Two new issues

BY TONY HAWKINS

WITH A STRONG Eurobond secondary market impatient for new paper, two new Eurobond dollar issues were announced yesterday.

Hydro-Quebec is to raise $100m. on a coupon of 8½ per cent. and a bullet maturity of 10 years. The issue, guaranteed by the Province of Quebec will be priced on October 25. Lead manager is S. G. Warburg and Co. and other banks in the syndicate are Credit Suisse White Weld, Union Bank of Switzerland, Kredietbank, Commerzbank, West Deutsche Landesbank, Nesbitt Thompson Ltd. and Levesque-Beaubien.

A new convertible issue announced yesterday also is the $30m. 15-year loan for Sanyo Electric Co. of Japan with Daiwa (Europe) and J. Schroder Wagg as lead managers. The Sanyo issue has an indicated coupon of 6¾ per cent., with interest payable semi-annually, and the conversion premium is expected to be in the 5 to 10 per cent. range.

The Government Development Bank of Puerto Rico yesterday signed a $125m. seven-year Eurodollar loan with an international syndicate of banks led by Chase Manhattan Limited.

The loan is understood to have been very well received and substantially oversubscribed. The loan has a spread of 1⅜ per cent. above Libor (London interbank offered rate) for the first four years increasing to 1½ for the final three years.

U.S. COMPANIES

SEC asked to move slowly on options

BY STEWART FLEMING

NEW YORK, October 14.

CONCERN ABOUT the impact of options trading in their stocks has led four major U.S. corporations to ask the Securities and Exchange Commission which overseas options markets, to move slowly in granting permission for options dealings in their securities.

The four companies are American Express, Anheuser-Busch, Connecticut General Insurance and Pennzoil Offshore Gas Operators.

The companies are all quoted on the over-the-counter market and a number of U.S. options markets are asking for permission to allow options trading in stocks quoted on these markets. Currently only New York Stock Exchange-listed corporations are traded in the options markets.

The four companies have said that while they are not opposed in principle to options trading in their stock, they fear that such trading may raise serious problems for the companies and their shareholders, for the existing markets in which their securities are traded and for the future of the development of a national stock market system.

Banks attacked by Grant court trustee

By Jay Palmer

NEW YORK, Oct. 14.

MORGAN GUARANTY TRUST and 26 other large U.S. banks are alleged by the court-appointed trustee of W. T. Grant, the bankrupt store chain, to have "dominated and controlled Grant's management" during the run up to insolvency "in an effort to serve their own interests to the detriment of the company, its creditors and its shareholders."

This morning a spokesman for Morgan Guaranty, which led Grant's banking consortium, said that a denial of these "unfounded charges" will be filed with the court at the appropriate time. He stressed that he was speaking on behalf of all the other banks including Citibank, Chase Manhattan, Chemical Bank, Bankers Trust and Bank of America.

CBS president was sacked

By Our Own Correspondent

NEW YORK, Oct. 14.

IMMEDIATELY before announcing his own impending retirement as chief executive of the Columbia Broadcasting System (CBS), Mr. William Paley unexpectedly sacked his most likely successor, CBS President Arthur Taylor.

Mr. Taylor's sudden dismissal after four years of being president during which time CBS profits grew steadily caught Wall Street, America's other large broadcasting networks and even apparently most CBS executives, by surprise.

The announcement of the CBS management changes late yesterday follows extensive reports in the U.S. Press of a sharply worsening rift between Mr. Paley, who took over and effectively founded the company in 1928, and Mr. Taylor, who was brought in as a financial wizard in 1972. The company has consistently dismissed such reports.

It is now generally accepted that Mr. Paley's own decision to step down as chief executive next spring precipitated his dismissal of Mr. Taylor.

Ironically Mr. Taylor's abrupt departure came on the same day that CBS announced record sales and earnings for the third quarter of 1976. At the same time, it is noted that the company consistently increased its quarterly earnings over his four year tenure.

According to this morning's financial Press, the first Mr. Taylor knew of his planned ousting was moments before a regularly scheduled CBS board meeting. The Wall Street Journal quoted one CBS source as saying "The outside directors discussed it with Mr. Paley while the inside directors more or less did what they were told." To-day neither Mr. Paley nor Mr. Taylor were available for comment.

Uptrend at NCR and Burroughs

NCR CORP announced third quarter net profit of 96 cents a share against 66 cents previously net profit was $25m. against $15.9m. Revenue $569.5m. against $521.6m.

Nine months profit reached $2.25 a share against $2.28. Overall net profit $56.8m. ($55.2m.). Revenue $1.6bn. ($1.5bn.).

BURROUGHS CORP reported a third quarter net profit of 92 cents a share against 83 cents previously. Overall net was $37.2m. against $32.8m. Revenue $443.2m. ($367.7m.). 1975 results are restated for inclusion of unrealised exchange gains on foreign currency long term debt. The restatement increased third quarter 1975 net to 83 cents from 69 cents.

The company said unrealised exchange gain on foreign currency long term debt in this year's quarter was not material. Agencies.

Weyerhaeuser up

WEYERHAEUSER reported in New York that third quarter net profit for 1976 totalled 61 cents a share (46 cents). (Overall net profit was $80.5m. ($58.4m.). Sales $758.1m. ($632.7m.). For nine months, profit has reached $1.67 a share ($1.20). Net profit $220.2m. ($153.1m.). Sales $2.13bn. ($1.79bn.).

Weyhaeuser attributed the higher earnings to increases in both sales volume and prices for south seas and west coast logs and a firming in the U.S. housing market which has caused volume and price improvement for most wood products. Reuter

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1989	104½	105
Australia 8¾pc 1981	98	99½
Bowater 9½pc 1986	104	104½
C. Nat. Autoroute 8½pc '91	100	100½
CNT 9pc 1985	101½	102
Denmark 8½pc 1984	97½	98
ECS 9½pc 1986	102½	103
EIB 8½pc 1989	98½	99½
Erap 9½pc 1985	102½	104
Esso 8pc 1986 Nov.	101½	102½
Eurofima 8½pc 1983	101	102½
Granges 9½pc 1983	103½	104
ISE Canada 9½pc 1986	103½	104½
Massey Ferguson 9½pc 1991	104	104½
Michelin 9½pc 1988	101½	102½
Nodo 9½pc 1983	102½	103
Nat. Westminster 9pc 1986	99½	100½
Newfoundland 9½pc 1989	100½	101½
Norpipe 9½pc 1986	102½	103
Norsk Hydro 9pc 1991	100	100½
Oslo 9pc 1988	101	101½
Prov. Quebec 9pc 1984	102½	103½
Sandvik 9½pc 1986	102	102½
Prov. Saskatchwn. 8¾pc '86	101	101½
SFE 9pc 1989	101½	102
Stand. Oil (Ind.) 8½pc '88	102½	103
Svenska Handels 9½pc '86	102½	103½
Volvo 9½pc 1985	104½	105

NOTES	Bid	Offer
Australia 8½pc 1983	100½	101½
Bank of Tokyo 8½pc 1981	102½	103
British Gas 9pc 1981	101½	102½
Denmark Mort. Bk. 9pc '83	101½	102
ECS 8½pc 1981	102½	103½
EEC 8½pc 1982	100½	100½
Michelin 8½pc 1983	100	100½
Montreal Urban 8½pc '81	100½	101½
Nac. Financiera 9½pc '81	103	103½
Nat. Coal Board 8½pc 1981	100½	101
N. Brunswick Prov. 8½pc '83	102½	103½
Seagram 9pc 1983	103½	104½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	82	84
Ashland 5pc 1988	93½	94½
Beatrice Foods 4½pc 1992	99½	101½
Beatrice Foods 4½pc 1992	99½	101½
Borden 5pc 1992	102	104
Broadway Hale 4½pc 1987	79	81
Canon Camera 7pc 1990	131	[illegible]
Carnation 4pc 1987	82	84
Chevron 5pc 1988	112½	114½
Dart 4½pc 1987	86	88
Eastman Kodak 4½pc 1988	101½	103½
Economic Labs. 4½pc 1987	79	81
Fed. Dept. Stores 4½pc '85	110	112
Firestone 5pc 1988	89	91
Ford 6pc 1986	95½	97½
Ford 5pc 1988	86	88
General Electric 4½pc 1987	92½	94½
Gillette 4½pc 1987	78	80
Gould 5pc 1987	97	99
Gulf and Western 5pc 1988	93½	95½
Harris 5pc 1992	92	94
Honeywell 6pc 1986	92	94
ITT 4½pc 1987	79	81
Komatsu 7½pc 1990	101½	103½
J. Ray McDermott 4½pc '87	135½	137½
Mitsubishi Elec. 7½pc 1991	104½	106½
Mitsui 7½pc 1990	102	103½
J. P. Morgan 4½pc 1987	109	111
Nabisco 5½pc 1988	97½	99½
Owens Illinois 4½pc 1987	106	108
J. C. Penney 4½pc 1987	83	85
Pioneer 6½pc 1979	121	
Raymond 8½pc 1983	104½	105½
Revlon 4½pc 1987	108	110
Reynolds Metals 5pc 1988	89	91
Sperry Rand 4½pc 1987	93½	95½
Squibb 4½pc 1987	80	82
Texaco 4½pc 1988	78½	80½
Toshiba 6½pc 1990	104½	106
Union Carbide 4½pc 1982	100	102
Warner Lambert 4½pc 1987	84½	86½
Warner Lambert 4½pc 1988	82½	84½
Xerox 5pc 1988	78½	80½

Source: Kidder, Peabody Securities

AUSTRALIAN COMPANIES

Castlemaine boost

BY JAMES FORTH

SYDNEY, Oct. 14.

Castlemaine Perkins, Queensland's major brewery, lifted earnings 10 per cent., from $A7.7m. to $A8.5m. in the year to July 31. Ordinary dividend is set at 13 cents a share on capital increased during the year by a one-for-four scrip issue.

In 1974-75 Castlemaine paid 15 cents a share, equivalent to 12 cents a share post-issue. The profit is covered by earnings of 29.1 cents compared with 42.38 cents in 1974-75, or 33.9 cents after adjusting for the scrip issue.

Profit in the first half, which includes the summer months, rose 20 per cent., from $A3.5m. to $A4.2m. and 10 per cent in the second six months, from $A3.7m. to $A4.1m.

Gross revenue rose almost 38 per cent., from $A117m. to $A162m. This included a figure of $A44m. arising from the increase in excise duty in the 1975 federal budget. If this amount is excluded gross revenue rose only 11 per cent. or $A12.7m. This indicates a slowdown in the rate of growth of beer consumption and is in line with similar remarks made recently by other brewers which have reported for 1975-76.

Tooth plans takeover

TOOTH AND CO., the major Australian brewery group, is planning a $A13.2m. takeover bid for National Wine Group, Penfolds Wines Australia. The brewer has already negotiated the purchase of a 60 per cent. stake in the vigneron through the acquisition of the family company of Penfold Hyland family. Tooth paid $A1.15 cash per share for the 60 per cent. held by the Penfold Hyland family and will extend a comparable offer to remaining shareholders "with a reasonable period of time."

It is the first takeover move by the conservative Tooth since 1929 when it merged with the other major New South Wales brewery, Reschs. The takeover of Penfolds will bring together two of Australia's oldest companies. Tooth dates back to 1835 while Penfolds began in 1844 in South Australia.

Penfolds has been prone to takeover rumours over the past two years because of poor results, largely brought about by the company's purchase of an 85 per cent. stake in a motel chain, Australian Motel Industries.

Penfolds' directors have publicly denied takeover talks on several occasions. In April, the shares rose on talk that Tooth's major rival, Tooheys, would make a bid. Tooheys moved into wine growing several years ago with the purchase of Wynns Winegrowers and Seaview. Several other vignerons have been acquired by industrial groups seeking diversification in recent years and Penfolds is one of the few remaining independent wine makers.

Tooth has been considering moving into wine for some time but until recently insisted that it was interested in marketing wine rather than acquiring a wine producer.

Tooth's move comes at a time when wine consumption is on the increase but beer consumption, hit by sharp excise increases over the past two years, is falling. Tooth said it would not be necessary to seek financial assistance to complete the Penfolds purchase as funds were available from internal sources.

The offer price compares with 85 cents on the market before it was known an offer was coming. Investors over-anticipated yesterday and pushed the shares to $A1.16 before Tooth revealed the price it paid for control.

Arnotts pays more

SYDNEY, Oct. 14.

ARNOTTS, Australia's largest biscuit maker, boosted earnings 26 per cent. from $A5.6m. to $A7.1m. in 1975-76 and has lifted the dividend from 7.5 cents a share to 8.5 cents. It is covered by earnings up from 12.5 cents to 15.8 cents on capital increased during the year by a one for four scrip issue and is the second successive increase in dividend payout.

Group sales rose 15 per cent. to $A182m. The rate of profit increase however, slowed in the second half. In the December six months earnings rose 35 per cent. from $A3.3m. to $A4.4m. but in the second half they only increased 16 per cent., from $A2.7m. to $A3.1m.

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, October 13. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources. Exchange rates listed are middle rates between buying and selling rates as quoted between banks. Where a multiple exchange rate system is in operation (m), the rate quoted is the commercial rate unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except for U.K. sterling (and those currencies at par with sterling) which is quoted in dollars per sterling unit. These rates are asterisked.

All rates quoted are for indication purposes only and are not based on, and are not intended to be used as a basis for, particular transactions. By quoting the following exchange rates, Bank of America NT & SA does not undertake to trade in all listed foreign currencies and does not assume any responsibility for any errors in the table below.

Bank of America
Eurodollar Libor as of October 14 at 11.00 a.m.
3 months: 5 7/16 6 months: 5¾

SDR1=US$1.15572

Country	Currency	Value of DLR
Afars & Issas	Djibouti Franc	168.2435
Afghanistan	Afghani (o)	45.30
Albania	Lek (m)	8.1056
Algeria	Dinar (a)	4.1802
Andorra	Fr. Franc	5.0175
	Sp. Peseta	68.03
Angola	Ang. Escudo	31.26
Antigua	E. Caribbean $	2.70
Argentina	Ar. Peso (o)(†)	140.17
Australia	Australian $	0.8075
Austria	Schilling	17.25
Azores	Port. Escudo	31.26
Bahamas	Ba. $	1.00
Bangladesh	Taka	16.0351
Bahrain	Dinar	0.3958
Balearic Is.	Sp. Peseta	68.03
Barbados	Barbados $	2.0025
Belgium	B. Franc (m)	37.355
Belize	B $	2.00
Benin	C.F.A. Franc	250.88
Bermuda	Bda. $	1.00
Bhutan	Indian Rupee	8.8810
Bolivia	Bolivian Peso	20.20
Botswana	Pula	0.8695
Brazil	Cruzeiro	11.5850
Br. Solmn. Is.	Australian $	0.8075
Br. Virgin Is.	U.S. $	1.00
Brunei	Brunei $	2.4530
Bulgaria	Lev	0.96
Burma	Kyat	7.1938
Burundi	Burundi Franc	90.00
Cameroun Rp.	C.F.A. Franc	250.88
Canada	Canadian $	0.9728
Canary Is.	Sp. Peseta	68.03
Cape Verde Is.	Cape V. Escudo	31.26
Cayman Is.	Cay. Is. $	0.8330
Cen. Af. Rp.	C.F.A. Franc	250.88
Chad	C.F.A. Franc	250.88
Chile	Ch. Peso (m)	15.00
China	Renminbi Yuan	1.9655
Colombia	Col. Peso (m)	35.38
Comoros Pds.	C.F.A. Franc	250.88
Congo (B'ille)	C.F.A. Franc	250.88
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.8290
Cyprus	Cyprus £	0.4169
Czechoslovakia	Koruna (m)	5.70
Denmark	Danish Krone	5.8413
Dominica	E. Caribbean $	2.70
Domin. Rep.	Domin'cn Peso	1.00
Ecuador	Sucre (o)	25.0
Egypt	Egyptian £ (o)	0.3925
Ethiopia	Ethiopian $	2.0855
Eq'tl Guinea	Peseta	68.03
Falkland Is.	Falkland Is. £*	1.6542
Faro Is.	Danish Krone	5.8413
Fiji Is.	Fiji $	1.1650
Finland	Markka	3.8448
France	French Franc	5.0175
Fr. C'ty in Af.	C.F.A. Franc	250.88
Fr. Guiana	Local Franc	5.0175
Fr. Pac. Is.	C.F.P. Franc	89.85
Gabon	C.F.A. Franc	250.88
Gambia	Dalasi	2.4180
Germany (E)	Ostmrk. (m)(o)	2.4903
Germany (W)	Deutschemark	2.4903
Ghana	Cedi	1.1590
Gibraltar	Gibraltar £*	1.6542
Gilbert & Ellice Is.	Aust. $	0.8075
Greece	Drachma	37.125
Greenland	Danish Krone	5.8413

Country	Currency	Value of DLR
Grenada	E. Caribbean $	2.70
Guadaloupe	Local Franc	5.0175
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Rep.	Sily	22.86
Guinea Bissau	Peso	31.26
Guyana	Guyanese $	2.5561
Haiti	Gourde	5.00
Honduras Rep.	Lempira	2.00
Hong Kong	H.K. $	4.6740
Hungary	Forint (m)	20.85
Iceland	I. Krona	187.90
India	Ind. Rupee	8.8810
Indonesia	Rupiah	415.0
Iran	Rial	70.70
Iraq	Iraq Dinar	0.2961
Irish Rep.	Irish £*	1.6543
Israel	Israeli £	8.40
Italy	Lira	842.50
Ivory Coast	C.F.A. Franc	250.88
Jamaica	Jamaica $	0.9091
Japan	Yen	289.40
Jordan	Jdn. Dinar	0.331
Kampuchea	Riel	n.a.
Kenya	Ken. Shilling	8.3751
Korea (Nth.)	Won (a)	0.94
Korea (Sth.)	Won	484.0
Kuwait	Kuwait Dinar	0.2904
Laos	Kip (o)	80.0
Lebanon	Lebanese £	3.205
Lesotho	S. African Rand	0.8695
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.2961
Liechtenstein	Swiss Franc	2.4415
Luxembourg	Lux. Franc (m)	37.355
Macao	Pataca	5.1528
Madeira	Port. Escudo	31.26
Malagasy	MG Franc	250.88
Malawi	Kwacha	0.9145
Malaysia	Mal. Ringitt	2.5205
Maldive Is.	Mal. Rupee	8.5842
Mali Rp.	Mali Franc	501.75
Malta	Maltese £	0.4355
Martinique	Local Franc	5.0175
Mauritania	Ouguiya	50.18
Mauritius	M. Rupee	6.6731
Mexico	Mexican Peso	19.80
Miquelon	C.F.A. Franc	250.88
Monaco	French Franc	5.0175
Mongolia	Tugrik (m)	3.3535
Montserrat	E. Caribbean $	2.70
Morocco	Dirham	4.4933
Mozambique	Moz. Escudo	31.26
Nauru Is.	Aust. $	0.8075
Nepal	Nepalese Rupee	12.525
Netherlands	Guilder	2.5515
Neth. Ant'les	Antillian Guild	1.80
New Hebrides	Aust. $	0.8075
	Fr. Franc	5.0175
N. Zealand	NZ $	1.0257
Nicaragua	Cordoba	7.02625
Niger Rp.	C.F.A. Franc	250.88
Nigeria	Naira	0.6263
Norway	Nrwg. Krone	5.3935
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.9845
Panama	Balboa	1.00
Papua N.G.	Kina	0.7695

Country	Currency	Value of DLR
Paraguay	Guarani (m)	136.0
P'ple D. Rp. of Yemen	S. Yemen Dinar	0.3454
Peru	Sol	68.02
Philippines	Ph. Peso	7.4613
Pitcairn Is.	NZ $	1.0257
Poland	Zloty (m) (o)	3.32
Portugal	Port. Escudo	31.26
Port Timor	Timor Escudo	31.26
Principe Isle	Port. Escudo	31.26
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	3.9310
Reunion Ile de la	French Franc	5.0175
Rhodesia	Rhd. $	0.617
Romania	Leu	4.97
Rwanda	Rwanda Franc	92.54
St. Christopher	E. Caribbean $	2.70
St. Helena	£ Sterling*	1.6542
St. Lucia	E. Caribbean $	2.70
St. Pierre	C.F.A. Franc	250.88
St. Vincent	E. Caribbean $	2.70
Salvador, El	Colon	2.50
Samoa (Am.)	U.S. $	1.00
San Marino	Italian Lira	842.50
Sao Tome	Port. Escudo	31.26
Saudi Arabia	Ryal	3.5350
Senegal	C.F.A. Franc	250.88
Seychelles	S. Rupee	8.0352
Sierra Leone	Leone	1.2090
Singapore	Singapore $	2.4340
Somali Rep.	Som Shilling	6.2950
Sth. Africa	Rand	0.8695
S.W. Africa Territories	S.A Rand	0.8695
Spain	Peseta	68.03
Span. Ports in N. Africa	Sp. Peseta	68.03
Sri Lanka	S.L. Rupee	8.5542
Sudan Rp.	Sudan £	0.3482
Surinam	S. Guilder	1.80
Swaziland	Emalangeni	0.8695
Sweden	S. Krona	4.3417
Switzerland	Swiss Franc	2.4415
Syria	Syria £	3.6750
Taiwan	New Taiwan $	37.87
Tanzania	Tan. Shilling	8.3751
Thailand	Baht	19.50
Togo Rep.	C.F.A. Franc	250.88
Tonga Is.	Pa'anga	0.8374
Trinidad	Trin. & Tob. $	2.40
Tunisia	Tunisian Dinar	0.4282
Turkey	Turkish Lira	16.0
Turks & C's	U.S. $	1.00
Uganda	Ug. Shilling	8.3751
Utd. Kingdom	£ Sterling*	1.6542
Un'd A'b Emir	UAE Dirham	3.9700
USSR	Rouble	0.7560
Upper Volta	C.F.A. Franc	250.88
Uruguay	Urug. Peso (m)	3.76
Vatican	Italian Lira	842.50
Venezuela	Bolivar (m)	4.29
Vietnam (N)	Dong (m) (o)	2.8300
Vietnam (S)	Piastre (o)	1.85
Virgin Is. U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.8709
Yemen	Ryal	4.50
Yugoslavia	New Y. Dinar	18.1532
Zaire Rp.	Zaire	0.8852
Zambia	Kwacha	0.7976

n.a. Not available. (m) Multiple exchange rate system, commercial rate used. (a) Approximate rate. (o) Official rate. *U.S. dollars per sterling unit.* † Argentine peso: effective March 5, 1976, Exchange rate system merged, now only two rates, i.e., official rate and tourist rate.

For further information please contact your local branch of the Bank of America.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Owens-Illinois sees good 1977 despite U.S. election

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

"WE EXPECT business to be good in 1977 whichever candidate wins the U.S. election," said Mr. Edwin D. Dodd, president and chief executive of Owens-Illinois, said after a Board meeting in London this week.

He and other directors of O-I, the world's largest glass container business, were in the U.K. to look at some of the operations of United Glass, the British company in which they have a 50 per cent. stake and a $50m. investment. In particular the visitors looked at UG's £8m. new furnace at Alloa in Scotland, claimed to be the world's largest.

Mr. E. D. Dodd, president.

Mr. Bill Spengler, chief operating officer of the international operations, admitted that UG, where Distillers Company is the other joint owner, "is not sufficiently profitable in a capital intensive business like the one in which it operates. But it is well matched against the competition."

O-I has taken no dividends from UG since 1969 but earnings have been reinvested to modernise the business. Some £36m. has been spent over the past five years.

But Mr. Spengler insisted that there were plans "not too far down the road" to have UG pay dividends. And UG should be getting a reasonable return on its investment in five years' time.

O-I gave every impression of being satisfied with the working relationship it had with Distillers Company and Mr. Dodd maintained there was nothing much to be gained if his company should push for majority control of UG.

Earlier this week O-I, the 87th industrial company in the U.S. and one of the 30 companies whose securities make up the Dow Jones Industrial index reported that it anticipated record sales and earnings this year and a continuing increase in business activity in 1977.

In the medeium term the group looks for a 3 to 5 per cent. annual growth rate from its European operations—the Gerresheim packaging concern in Germany is the largest component—four to five times that in South America and even faster growth in the Far East-Pacific operations.

While Mr. Spengler said he was disappointed in the way the U.K. economy was developing—"you are betting very heavily on North Sea oil"—and suggested the country was storing up future problems by not paying its managers enough, Mr. Dodd commented: "There is real evidence that people here are beginning to bite the bullet. This country has a magnificent heritage and has faced up to some very difficult problems in the past. My feeling is you will do it again."

Kraftco sees very good year

By John Wicks

ZURICH, Oct. 14.

THE U.S. foodstuffs concern Kraftco Corporation, of Glenview, Illinois, expects a very good year and is "reasonably confident" that earnings per share will exceed the $5.01 record, achieved for the year ended December 27, 1975. This was stated here to-day by a company spokesman, who said Kraftco's goal continued to be a growth in earnings of 10 per cent. a year and a 15 per cent. return on stockholders' equity.

Sales outside the United States and Canada, which last year rose 11.9 per cent. to account for $763.6m. of group turnover of $4.85bn., are also expected to rise in 1976. Profits of $18.8m. in 1975, will not necessarily increase, however, due to the recent opening of a $39m. multi-product plant in Belgium and because of the situation in the United Kingdom.

Capital expenditure of Kraftco is put at some $97m. world-wide this year. With the completion of the large Belgian project near Namur, which will take "one or two years" to reach full capacity use, no major new investments are at present planned abroad.

JAPANESE BANKING

The relative absence of mergers in Japan lent added significance to the Dai-Ichi and Nippon Kangyo deal. Charles Smith analyses the success so far of the two banks' merger.

Cause for celebration

ONE FEATURE which distinguishes Japanese industry from that of most western countries is the relative absence of mergers. That is why the fifth anniversary this month, of a major Japanese bank merger calls for some celebration. Dai-Ichi Kangyo Bank, which resulted from the marriage in 1971 of the Dai-Ichi bank and the Nippon Kangyo bank is Japan's biggest bank though still only the 13th largest in the world in June this year. When the Yen was strong two or three years ago it was fifth or sixth.

Problems

There have been problems in making the merger work effectively. One was deciding what to do about the computerised online systems of both banks, since they used different makes of computers (Fujitsu for Daichi and IBM for Nippon Kangyo). They had to be run in parallel for a long time with a bridge at the centre.

Another problem was thinning out the combined labour force of the two banks to get the full benefits of rationalisation. Dai-Ichi Kangyo has "lost" 500 members of its head office staff, since the merger, reducing the total headquarters strength to 1,700. The bank still reckons, however, that it needs to reduce its *total* work force by another 2,000 by 1978 to achieve a healthy staff/turnover ratio.

Japanese companies do not in theory at least, lay off workers and the DKB is adamant that it is not even considering a voluntary retirement scheme, with increased pensions as an incentive. The DKB planners, however, are not slow to point out that bankers in Japan can usually find jobs on the Boards of companies who keep their accounts at the bank. DKB may be sending a slightly higher than average number of its senior executives to join the Boards of its client companies over the next few years.

Branch network

Apart from seeking economies of size, Dai-Ichi and Nippon Kangyo originally went into the merger because it looked like a prime opportunity to improve the geographical distribution of their branch networks.

The two banks were, in fact, almost perfectly complementary in their branch networks as well as in the type of clients they served before the merger. Dai-Ichi was essentially a metropolitan bank with its main strength in the major cities of Tokyo and Osaka. Nippon Kangyo had a nationwide branch network with offices in every one of Japan's 46 prefectures. Despite this there were about 50 cases of almost next door branches out of a total of almost 300. The attraction of the merger was that DKB was allowed to close superfluous branches in big cities and open new ones in suburban areas in order to eliminate the overlap.

WHEN DAI-ICHI and the Nippon Kangyo banks agreed to merge in 1971, the move was something of a novelty for the Japanese commercial world. However, knotty problems involving rationalisation of the staff at Dai-Ichi, and two separate brands of computer, have been largely resolved and the newly-formed DKB Bank, is operating smoothly. But the time may now have come for DKB to impose a stricter pattern on its group members.

The importance of being allowed to re-locate branches can hardly be over-estimated. The Ministry of Finance, which has to give permission for such moves, does not usually allow banks to shift their branches around at will. Moreover DKB's new suburban branches have brought in far more consumer deposits than its old centrally located branches could have done and the bank's deposit total has accordingly risen faster than those of its major rivals.

The bank now claims 13m. personal accounts in Japan compared with the 7.7m. that Dai-Ichi and Nippon Kangyo had when they merged. It says the number of accounts of the four major banks following immediately after DKB in the league table have risen on average by 2m. since 1971. So on balance DKB would seem to have quite a lot of growth from the merger.

DKB also claims to have made good use of the opportunity to rationalise its overseas operations. The two component banks both had London and New York offices and were allowed by the Ministry of Finance to open two new offices in other overseas centres to compensate for closing down one branch in each city. To-day DKB claims a total of 38 overseas ventures (including minority interests in joint venture banks and representative offices). This would appear to make it the second most international Japanese bank after the Bank of Tokyo which is a specialist in foreign exchange transactions.

The politics of the DKB merger appear to have been solved smoothly enough so far as DKB's own operations are concerned. After the merger, the president of Dai-Ichi Bank became the chairman of DKB while the president of Nippon Kangyo became president of the new bank. The bank's 50 directors and managing directors are split evenly between Dai-Ichi and Nippon Kangyo staffmen and the same goes for all major departments with the added point that every ex-Dai-Ichi man who is a department head has a Nippon Kangyo deputy and vice-v[...]

The DKB corporate plan[...] department says that one re[...] why the merger has succe[...] is that it is impossible for [...] one to say that either bank [...] the other one over. It do[...] whether there are two o[...] banks among the 13 m[...] Japanese banks (the so-ca[...] "city banks") which are as e[...] in size and as complemen[...] in their operations as Dai[...] and Nippon Kangyo were w[...] they merged.

This could explain why [...] DKB merger has been follo[...] by only one other big Japa[...] bank merger since 1971. [...] was the 1973 marriage betw[...] Taiyo Bank and Bank of [...] to form what is now the sev[...] biggest Japanese "city bank[...]

An intriguing question a[...] the merger concerns the [...] called DKB group—a stri[...] unofficial title for the const[...] tion of manufacturers, tra[...] companies and other inter[...] (including Japan's biggest ad[...] tising agency) which w[...] originally associated with ei[...] Dai-Ichi or Nippon Kangyo [...] which now march under the [...] banner.

Too busy

DKB says that its group is [...] than a coherent entity to[...] than groups like Mitsubishi [...] Mitsui which are the descend[...] of the pre-war "Zaibatsus" [...] financial combines.

The group prefers to think [...] itself as a partnership of eq[...] in which the bank may play [...] leading role, but does not ne[...] sarily do, so depending on w[...] type of project is being un[...] taken.

The bank's planners say t[...] do not want to change the [...] sent rather loose system [...] group relations, which they c[...] pare with the relationship [...] exists between member co[...] tries of the EEC. The truth [...] bably is that up to now DKB [...] been too busy putting itself [...] gether to start imposing a f[...] pattern on its related compan[...] With the merger showing ev[...] sign of success this co[...] change.

ALABAMA Red cross of St. Andrew on white field.

ALASKA Blue field with seven gold stars, representing the Big Dipper. Eighth star represents the North Star.

ARIZONA A copper-colored star centered on radiating red and yellow stripes and horizontal blue bar.

ARKANSAS Star-studded blue and white diamond on a red field; diamond shape represents Arkansas, the only diamond-producing state.

CALIFORNIA A bear and a red star on white field with red horizontal bar at the bottom.

COLORADO A red letter C encloses gold ball and rests against blue, white and blue bars.

CONNECTICUT State seal on blue field. Seal: Three grapevines symbolize transplanting of culture and traditions of Europe to the colony.

DELAWARE State seal in a buff diamond on a blue field with date Delaware ratified Constitution. Seal: A sheaf of wheat, an ear of corn, an ox a soldier and a farmer under the crest of a ship.

FLORIDA State seal lies on white field crossed by diagonal red bars. Seal: Sun, steamboat and Indian girl strewing flowers.

GEORGIA State seal on a vertical blue bar. Confederate flag to the right. Seal: Arch representing state constitution; three columns with Georgia's motto; date 1776 is year Georgia signed Declaration of Independence.

HAWAII Eight alternating white, red and blue bars, representing main islands of state; Union Jack in upper left.

IDAHO State seal centered on blue field. Seal: Woman holding scales and a spear; miner, trees and river; elk's head; horns of plenty and sheaves of grain.

ILLINOIS Adaption of state seal centered on white field. Seal: An American eagle holds shield with stars and stripes, representing 13 original states; olive branch stands for peace; prairies and rising sun represent plains of Illinois.

INDIANA Gold torch and 19 gold stars on blue field.

IOWA Vertical blue, white and red bars; flying eagle carrying state motto.

KANSAS Blue field with wreath and yellow sunflower over state seal. Seal: Rising sun represents east; buffalo, log cabin, riverboat, wagon and plowing farmer suggest early history of region.

KENTUCKY State seal on a blue field. Seal: Two men greeting each other; state motto.

LOUISIANA State seal and motto on a blue field. Seal: Mother pelican feeding brood.

MAINE State seal on a blue field. Seal: Farmer and seaman represents two chief occupations; pine tree symbolizes forests; moose, wildlife, northern star stands for northern location.

MARYLAND Geometric black and gold pattern in opposite quarters; red and white crosses in the others.

MASSACHUSETTS State seal on white field is on one side; other side has green pine tree on blue field. Seal: Coat of arms of Commonwealth of Massachusetts; Indian points arrow downward, symbolizing peace; star over his right shoulder represents Massachusetts as a state.

MICHIGAN State seal on a blue field. Seal: Sun rising over water and man in field appear on shield supported by an elk and a moose.

MINNESOTA State seal and 19 gold stars on blue field. Seal: Indian riding into sunset, farmer plowing field, waterfall, forest.

MISSISSIPPI Horizontal red, white and blue bars with Confederate battle flag in upper left.

MISSOURI State seal centered on horizontal red, white and blue bars. Seal: Two grizzly bears hold shields of United States and Missouri; 24 stars represent Missouri's entrance into Union.

MONTANA State seal on blue field. Seal: A plow, pick and shovel rest on soil, symbolizing Montana's agricultural and mineral industries; Great Falls of Missouri River

NEBRASKA State seal on blue field. Seal: Blacksmith represents mechanical arts; settler's cabin, growing corn and shocks of grain.

NEVADA Blue field with gold and green insignia in upper left; words «Battle Born» recall that Nevada gained statehood during Civil War.

NEW HAMPSHIRE State seal on a blue field. Seal: A reproduction of Revolutionary War frigate «Raleigh», is surrounded by nine stars in a laurel wreath to symbolize victory.

NEW JERSEY State seal on yellow field. Seal: Three plows and goddess Ceres holding a cornucopia represent agriculture; a horse's head lies above sovereign's helmet.

NEW MEXICO Stylized red sun, symbol of *Zia pueblo* of Indians, on a yellow field.

NEW YORK The state flag is dark blue with the state Coat of Arms in the center. The Coat of Arms depicts Liberty and Justice.
A three-masted square-rigged ship and a Hudson River sloop signify commerce. Beneath the shield is the state motto.

NORTH CAROLINA Gold scrolls and NC (separated by white star) on blue bar; a red and white horizontal bar to right.

NORTH DAKOTA Eagle with American shield on breast. Above eagle is sunburst enclosing 13 stars, beneath is scroll inscribed «North Dakota» - all on blue field with yellow fringe.

OHIO Pennant-shaped flag; white-bordered red circle and white stars on a blue triangle, with red and white bars.

OKLAHOMA Symbols of war and peace on a blue field.

OREGON State seal and lettering in yellow on a blue field. Seal: Departing British man-of-war and arriving American merchant ship symbolize end of British influence and rise of American power.

PENNSYLVANIA State seal and motto supported by two horses on gold-bordered blue field. Seal: Eagle, ship, plow and sheaves of wheat.

RHODE ISLAND Golden anchor and 12 gold stars on white field.

SOUTH CAROLINA White palmetto and crescent on blue field.

SOUTH DAKOTA State seal surrounded by gold circle, stylized sun and lettering in yellow on a blue field. Seal: Smelter chimney, plowman, and riverboat.

TENNESSEE Three white stars in a white-bordered blue circle on a red field; narrow white and blue stripe at right.

TEXAS Single star on vertical blue bar with a red and white bar to the right.

UTAH State seal in a gold circle on blue field. Seal: Beehive on shield represents industry; sego lilies surrounding beehive.

VERMONT State seal on a blue field.
Seal: Pine tree with 14 branches represents 13 original states and Vermont; cow and sheaves of wheat stand for dairying and agriculture; wavy lines - top and bottom symbolize sky and sea.

VIRGINIA State seal on blue field. Seal: State motto; standing figure representing virtue, dressed as woman warrior, standing triumphant over figure of tyranny.

WASHINGTON State seal on green field.
Seal: Portrait of George Washington and date 1889, the year state was admitted to Union.

WEST VIRGINIA State seal on blue-bordered white field.
Seal: Rock (with date June 20, 1863, when state entered Union) stands between farmer and miner, symbolizing state's industries.

WISCONSIN State seal on a blue field.
Seal: A sailor and miner hold shield with symbol representing Wisconsin's industries; badger is state's nickname; horn of plenty; pyramid of lead.

WYOMING State seal and buffalo on a red-and-white-bordered blue field. Seal: Woman and motto, «Equal Rights».

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CHASE

FT CONFERENCE IN SYDNEY

Australia should create capital market, British banker says

BY JAMES FORTH SYDNEY, Oct. 1[illegible]

Australia should work towards the creation of an international capital market which could make it a major financial power in the future, Sir Peter Tennant, industrial adviser to Barclays Bank International said to-day. He was speaking at an international conference in Sydney organised by the Financial Times and co-sponsored by the Australian Financial Review and Australia's international airline, Qantas. Sir Peter said the thinness of the local capital market meant that Australia must continue to be financed by imported capital, which meant that there would be wide swings in the amount of capital inflow from time to time. Such rapid and exaggerated injections of cash might cause as many difficulties for an economy in boom times as did the subsequent slumps.

Such problems were already causing stress within the economies of the oil-rich nations which were attempting to overcome them by a combination of national-development projects, which did not further overload the capacity of the domestic economy and the re-investment abroad of excess trade cash flows.

Stability

From the foreign investors point of view it would probably be a better solution for Australia to consistently attract foreign development funds, even if their flo wimight from time to time prove excessive to the economy's immediately perceived needs.

Sir Peter said a mechanism could be created to ensure that the surpluses could be efficiently deployed, if necessary by re-investment abroad, without distorting the equilibrium of the economy. A great number of favourable conditions to establish an international capital market already existed. It was necessary to have a reputation for political stability over an extended period, an efficient, solidly based banking system, a high level of financial expertise, and enough real assets to back the currency.

Sir Peter said it should be more generally realised that Australia could act as a "compelling haven." for international funds and the advantages to the economy—particularly in reversing the traditional drain on Australia's international reserves caused by invisible imports—should not be lightly dismissed. There would also have to be a gradual but deliberate easing of the existing restrictions on the export of capital from Australia, both for portfolio and investment purposes. Their removal would at a stroke do more for foreign confidence in Australian economic policy than any other single measure.

Sir Peter's optimistic view of Australia's future was countered by a gloomy view of Australia's short-term economic outlook by Mr. Gough Whitlam, former Prime Minister and Leader of the Opposition. Mr. Whitlam said the present Government's recently outlined budget strategy was failing and would have to be revised. He criticised a drop in real budget outlays of 8 per cent. which he described as in sharp contrast to the trend in the major OECD countries. He said the Government was going too far too fast, and in the wrong direction. Its spending cuts were not a blueprint for recovery but a design for stagflation.

Mr. Whitlam recommended a cut in sales tax to boost consumption, and more generous tax rebates for individuals, a modest increase in public spending, restoration of a "workable" incomes policy, a pledge to make no reductions in present levels of industry assistance for 12 months and a new referendum on prices and incomes to give parliament the same powers of economic management that other Western governments possessed. The President of the Australian Council of Trade Unions, Mr. R. J. Hawke told the Conference that worker participation, in whatever form it ultimately took, would be a primary objective of unions in forthcoming years.

The managing director of Steel Merchant and Engineer, Australian National Industries, Mr. John Leard said there must be a further shakeout and rationalisation of Australian industry. Some basic industries would remain, distribution industries would continue to thrive, service industries would grow, the leisure industry would grow and manufacturig industries which lent themselves to significant productivity improvements would also represent good areas for investment.

Escalation

Australian companies should be encouraged to invest in South-east Asia and their interest in this region was being accelerated because of the escalation of Australian wage cost structures in recent years. There was the possibility that export markets lost to Australian-made products could be regained by Australian companies operating in the more stable cost environment in South east Asia. The chairman of Sydney Stock Exchange Mr. John Valder spoke of the "alarming trend" for financial institutions to become the ever more dominant force in the Australian stockmarket. Companies, stock exchanges and government should combine to encourage individuals to become investors.

The chairman of Dalgety Australia, Mr. W. J. Vines said Australia's future markets for rural products were likely to continue to lie on the developed economies in all of which domestic farmers were hi[illegible] protected. The manufactu[illegible] industry should be provided [illegible] reasonable protection to en[illegible] it to continue to employ a la[illegible] proportion of the workforce. [illegible] devaluation was not rec[illegible]mended at present. Mr. V[illegible] forecast that by 1979-80 the [illegible] marked rise in output w[illegible] occur in the grains area (35 [illegible] cent.) followed by livestock [illegible] per cent.), but dairy prod[illegible] were expected to decline b[illegible] per cent.

The *managing director* of Bank of Tokyo, Mr. [illegible] Narusawa said it was to be ho[illegible] that Australia would adopt a[illegible] restrictive policy towards for[illegible] banks, as in the case of Can[illegible] which recently opened its d[illegible] to foreign banks. He said t[illegible] were three major obstacle[illegible] the way of expanding Japa[illegible] investment in Australian ma[illegible]facturing industries, [illegible] elasticity of labour supply [illegible] relatively high labour c[illegible] instability in industrial relat[illegible] and a narrow domestic ma[illegible] *Investment in the mining se[illegible]* continued to be an "overri[illegible] concern" to Japan.

Other addresses at the con[illegible]ence were made by Mr. Y. B. [illegible] Tan Siew Sin, former Fina[illegible] Minister of Malaysia and director of Sime Darby Hold[illegible] on Australia and Asia in [illegible] and investment.

Mr. K. W. Wright, manag[illegible] director Rolls-Royce of Austr[illegible] and deputy chairman New So[illegible] Wales Council of the Austra[illegible] British Trade Association on experience of overseas indu[illegible] in Australia: Professor W[illegible] Gungwu, Professor of Eastern History, Institute [illegible] Advanced Studies, Austral[illegible] National University and Direc[illegible] Research School of Pa[illegible] Studies, on recent developm[illegible] in Asia and their interest[illegible] Australia and Senator Bo[illegible] Cotton, Minister for Industry [illegible] Commerce on prospects [illegible] Australia industry.

NORTH SEA OIL REVIEW BY RAY DAFTER

Energy: tying up loose ends

...ITISH Petroleum has pro...ed one of the rare "good ...s" stories of recent weeks ...its announcement that the ...ties Field will produce at ...ut 25 per cent. above antic...ed output.

...nfirming industry gossip ...t the field's development ...progressed remarkably ...oothly, Mr. David Steel, BP's ...irman, said that output ...uld rise to 500,000 barrels ...day by the end of next year, ...against the anticipated ...000 b/d production rate. ...sed on a current export value ...about $12.60 a barrel, the ...tput should be worth some ...bn annually in 1978—and ...siderably more when the ...icipated world oil price rises ...taken into account.

The upgrading of the pro...ction profile (not of the ...ld's recoverable reserves) in...ates that the flow characteris...s of this part of the North ...some 120 miles offshore of ...erdeen, are better than ...ticipated. This, in turn, ...plies that output from other ...ds may have been under...imated also.

Indeed, it was also learned ...s week that consultants ...Golyer and MacNaughton ...ve up-rated their assessment ...recoverable reserves in the ...cidental Group's Claymore ...eld from 365m. barrels to ...m. barrels. The higher figure, ...ich is more in line with ...official estimates among ...rth Sea interests, does not ...cessarily indicate a higher ...oduction rate than originally ...ecast. But it is conceivable ...t the daily output may sur...ss the projected peak of ...3,000 barrels a day as more is ...rned of the reservoir ...aracteristics.

It has long been argued by ...umber of industry specialists ...notably Professor Peter Odell ...Rotterdam's Erasmus Univer...y — that the naturally ...tious oil companies have ...ked down the potential ...rth Sea recovery. If the ...rties experience is repeated ...some of the other 14 U.K. ...ds so far declared commer...l, the Government should ...ily achieve its target of ...ergy self-sufficiency by 1980. ...is quite possible that this ...ppy state may now be reached ...1979.

This raises the wider question ...what happens to the 2m. bar...s of oil a day that should be ...ded in the U.K. in a few ...rs' time. To some extent the ...sible detailed arrangements ...the use of these resources ...clouded by uncertainties: ...exact shape of the Government's refinery and depletion policies; the varied terms of the still-emerging State participation proposals; and the implications of the Energy Bill, now completing its passage through Parliament.

The Bill, which is due to reach the report and third reading stage next Thursday, has received less publicity than the other issues, possibly because the Department of Energy has sold the piece of legislation as a tidying-up operation. The Bill, it says, contains many of the powers contained in the Fuel and Electricity Control Act of 1973, which is renewable annually. It also includes various powers, mainly relating to possible emergencies, needed to meet International Energy Agency and Common Market commitments.

The oil and chemical industries felt that, as drafted, the Bill introduced much wider issues. Chemical companies, in particular, were worried about the possibility of British Gas being given control over all natural gas: not only methane, which it uses in its fuel distribution system, but also the heavier gases—propane, butane and ethane—which are widely used as chemical feedstocks.

After an intensive campaign by industry organisations, the Government agreed to important concessions. In effect, these gave offshore operators the right to use any gas they find in their own chemical plants. The right of using all four gases (methane, ethane, propane and butane) for industrial uses has been preserved. Dr. Dickson Mabon, Minister of State for Energy, told the Commons Committee considering the Bill that he hoped the industries would respond "energetically and constructively."

The companies had warned that large-scale investment might be jeopardised if the Bill was not amended. Dr. Mabon recognised that "certain companies went into exploration in the North Sea in order to gain access to feedstocks, in particular to make ammonia and methanol essential to the industry and agriculture of this country."

Whereas the Government gave way on its proposals for the use of gas, it is standing firm by its plan to have reserve powers to control the price of crude oil, natural gas and petroleum products.

It is this proposal, covered in just 25 words, which is causing a good deal of unrest among the oil companies. The provision was rejected by the Lords, and the Government failed in its attempt to put it back into the Bill during the subsequent Commons Committee stage. Nevertheless, Dr. Mabon has made it plain that the proposal would reappear at the report stage. Furthermore, on Monday an amendment was tabled making the power exercisable "at any time" in the case of petroleum products.

The amendment has only reinforced the oil industry's concern that the Secretary of State for Energy—at present Mr. Anthony Wedgwood Benn—would have the right to control prices at any time and not only in an emergency (the prime reason for the legislation).

The Offshore Operators Association, the Petroleum Industry Advisory Committee, and individual companies which have conducted an intensive lobbying campaign have emphasised that such reserve powers can only add to the uncertainties surrounding modernisation, expansion plans and marketing programmes.

They have told Ministers and civil servants that the current marketing situation — surplus capacity, devaluation of sterling and intense price competition in many of the product areas—makes commercal management difficult enough, without the added doubts raised by the Energy Bill. It is also argued that the Government has sufficient legislation, in the Price Code and the Monopolies Commission, to control prices and to combat any anti-competition practices.

The industry realises, however, that the Government is determined to hold on to this reserve power. It already exists in the Fuel and Electricity Control Act, although only the price of paraffin (premium kerosene) is controlled. Various reasons have been given for the retention of this power—other than the possibility of a national emergency, a situation in which the oil industry would not quarrel with price controls.

For instance, it has been pointed out that other countries have similar powers. The U.S., one of these countries, is facing growing energy problems, however. American companies claim that regulatory controls on gas and oil prices are among the reasons for the lack of indigenous energy development. Consequently, there are signs that U.S. controls are being dismantled.

Secondly, the Government argues that the powers are needed for social reasons. Paraffin prices are controlled to protect pensioners and the poor. Oil companies have argued that there are other methods of helping the needy, such as through fuel vouchers. Thirdly, companies have been told that the provisions might be useful if the Price Code is ever abolished. Furthermore, the Code is deemed to be inadequate in controlling individual products, should this be desired. At present oil companies apply for an "across the barrel" price increase and weight individual products according to market forces.

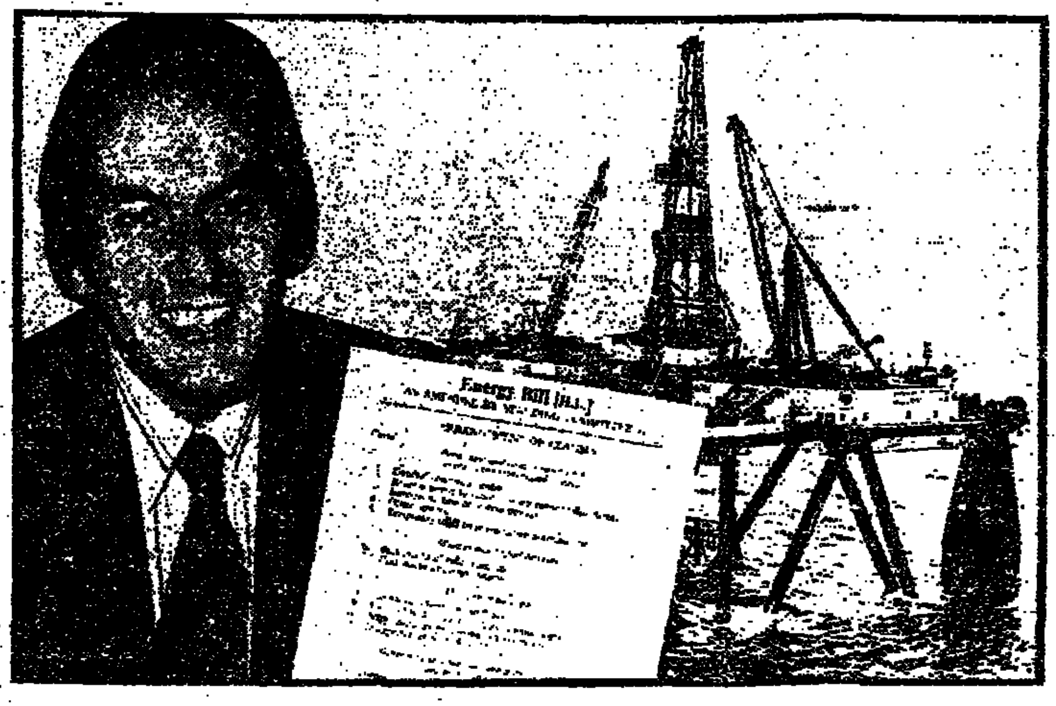
Finally, Dr. Mabon has indicated that the powers might be needed in a "sub-crisis" emergency, such as a local disruption of the normal market. One possible situation might be the wide variance of petrol prices between one geographical area and another. This year, for instance, price competition in the Midlands, the North and parts of the South East has led to much lower petrol prices than in other areas of the country. The oil industry feels that politicians, embarrassed by awkward questions from constituents in the "less favoured" areas might press for a uniform lower price: the Government, on the other hand, points out that price controls could work in the industry's interest and hold up the rates.

Whatever the arguments, the Government has emphasised that it has no plans in the foreseeable future to introduce such blanket price control on petroleum products.

Dr. John Cunningham, Parliamentary Under Secretary of State for Energy, speaking at a U.S. Chamber of Commerce seminar last week said: "All that we are now seeking is to maintain reserve power to protect the consumer and in pursuance of a general energy policy. Our record does not give cause for alarm about the future."

So is the oil industry crying wolf, becoming to concerned about vague reserve powers? Perhaps it is the vagueness that is the most alarming: it is possible to compute the effects of the Price Code in any commercial business decisions, it is less easy to plan for the effects of such a general political statement.

Therefore, it must be questioned whether further measures causing uncertainty are justified at a time when Britain needs as much North Sea oil as can be produced. As Mr. Wedgwood Benn, himself, said this week: the increased output rate of Forties "confirms the contribution that North Sea oil is making to the strengthening of the British economy."



Output from the Forties Field is surpassing expectations while the oil industry questions the impact of the Energy Bill. Dr. John Cunningham, Parliamentary Under-Secretary of State for Energy (left) argues: "Our record does not give cause for alarm about the future."

APPOINTMENTS

Phillips Petroleum Europe-Africa senior group post

Mr. Earl Guitar, manager of international affairs, natural resources group, PHILLIPS PETROLEUM COMPANY, has been appointed president, natural resources division, Phillips Petroleum Company Europe-Africa and transfers from Bartlesville, U.S., to London on November 1.

He will succeed Mr. C. J. Silas, who has been based in London since early-1970. Mr. Silas has been elected a vice-president and on November 1 will become vice-president, gas and gas liquids, natural resources group, based in Bartlesville with responsibility for managing the company's worldwide natural gas and natural gas liquids business. In his new position Mr. Silas succeeds Mr. Ken Heady, who has been elected to the newly created post of vice-president and associate general counsel, from the same date.

*

The Home Secretary has appointed Sir Robert Bradlaw as chairman of the ADVISORY COUNCIL ON THE MISUSE OF DRUGS to succeed Sir Hugh Robson, Principal of Edinburgh University, who resigned earlier this year.

*

Mr. D. J. F. Burkin has been appointed managing director of TI STOCKHOLDING, which is being enlarged to embrace the overseas and U.K. stockholding interests of the Steel Tube Division of Tube Investments. Mr. Burkin is a member of the TI Steel Tube Division Advisory Board and for the past two years has been managing director of Accles and Pollock.

*

Mr. Roy K. Hood has been appointed managing director of NEWMAN INDUSTRIAL CONTROLS, succeeding Mr. Terry R. Day who has left to take up another appointment. Mr. Hood was previously marketing director of Morganite Electrical Carbon.

*

Mr. Trevor Trefgarne, holder of Ordinary shares of NIGERIAN ELECTRICITY SUPPLY CORPORATION representing 16.05 per cent. of the issued capital, has been appointed a director.

*

The following appointments have been made by CHEF AND BREWER: Mr. A. H. Fraser has become executive director, Chef and Brewer, and managing director of Lanchester Taverns, succeeding Mr. R. M. Harston, who is now managing director of Watney Mann, Midlands. Mr. C. H. R. Troup: succeeds Mr. Mr. Fraser as director and general manager, Hamilton Taverns: Mr. A. C. Sinclair becomes director and general manager, St. George's Taverns (South West) in place of Mr. Troup: and Mr. D. F. Baker has been appointed director and general manager of the newly-formed Arden Taverns, Coventry.

*

Mr. P. F. Vermexlen has been elected chairman of the packaging machinery section of the PROCESS PLANT ASSOCIATION in place of Mr. J. S. H. Rodman, who has retired from that position. The new vice-chairman of the section is Mr. H. R. Barker.

*

Mr. John Collingsworth has been appointed marketing director of BEN BAILEY CONSTRUCTION and continues as managing director of two subsidiary companies within the group.

*

Mr. D. B. Everitt has been appointed to the Board of M. AND G. ASSURANCE GROUP.

*

Mr. J. T. Bullen has been appointed chief accountant and company secretary of JOHNSON-PROGRESS.

*

Mr. John Deas joins PATTRICK AND THOMPSONS this month and will take over as managing director next year on the retirement of Mr. John H. Davies. Mr. David Thorne, director and general manager of CRENDON TIMBER COMPONENTS has been made managing director of that company. The parent concern is James Davies (Holdings).

*

Dr. F. E. Jones has resigned as a non-executive director of PHILIPS INDUSTRIES. Mr. A. Poot, managing director of Philips Electrical and Ada (Halifax) has relinquished those positions on becoming chairman of the organisation committee of N. V. Philips.

*

Mr. D. G. Berwick, personnel and training manager, has been appointed a director of POULTON AND PAUL (JOINERY) and POULTON AND PAUL (STEEL CONSTRUCTION).

*

Mr. Leslie Tench has been appointed marketing director of TWYFORDS, a member of the Reed International group. He was previously managing director of Cameron Irrigation.

The Property Market

BY QUENTIN GUIRDHAM

Rolls-Royce (1971) takes Buckingham Gate block

Rolls-Royce (1971) has taken a large new headquarters building, 65 Buckingham Gate, off Victoria Street, London SW1. It is a major letting for the three pension funds and an insurance company who took on this, the secondary bank's major development, when Cedar Holdings was being reconstructed in one of the first of the lifeboat operations. The institutions have also struck lucky in the Arab craze for London residential property. The top of the Buckingham Gate block, separated from the offices by a level of air-conditioning equipment, contains 52 flats plus a penthouse covering the whole of the top floor. A consortium of Arabs has bought a 999-year lease on this whole residential section.

For Rolls-Royce (1971), Buckingham Gate represents far larger, and better quality premises than its present two floors in Norfolk House, St. James's Square, where it took the space in a hurry, and on a shortish lease, when the aircraft group was going through its own reconstruction three years before Cedar's.

But the enlarged space will be needed largely because of a management philosophy, being put into practice by Sir Kenneth Keith, to strengthen the group's central team and bring to London some of the functions now carried out at the manufacturing headquarters, notably Derby, Bristol and Ansty. Wags have also noted that Buckingham Gate will give the Rolls-Royce (1971) team an impressive base from which to talk to their National Enterprise Board masters, the two groups not always seeing eye to eye. Apart from the site acquisition costing Cedar Holdings highly over a number of years, the development has also been carried out to very high standards and is among the best equipped blocks in London.

The owner goes under the name of Pecu Properties, Pecu representing Phoenix Assurance, Electricity Supply Industry Pension Funds, National Coal Board Superannuation and Pension Funds and the Unilever Superannuation Fund (the same group that backed Spey Investments).

Pecu paid £1.5m. for the development, this being a Jones, Lang, Wootton valuation of its worth, when in the course of construction, in December 1974. Previously, in Cedar's books, it had been included in 1973 at a net figure of £9.18m., being the estimated value of the completed scheme less provision for costs to completion. In 1974 another £3.11m. was spent, making a total of £12.29m., so that Cedar showed a book loss of £10.79m. on the scheme.

No one is talking rents. But Rolls may have paid at least £12 a square foot for their space. That may be a sign to the institutions, now out of the investment market, that there are good deals to be done even in a lifeboat.

Braun takes Sunbury HQ

Closer to Heathrow than the new Avis House, pictured right, but also in the West of London area favoured by the British subsidiaries of foreign groups, is Law Land's big Sunbury development. The 42,000 square foot block which Avis considered has not been let yet, but 39,000 square feet of offices and warehousing behind (it is 8,000 square feet net of offices) has been taken by Braun Electric (U.K.), part of the German Braun AG electrical appliance and photographic company. The property will be the new U.K. headquarters and distribution centre for Braun.

Letting agents Conway Relf say that the rent overall is close to the asking figure of £2 a square foot. There is another 40,000 square feet of warehousing as well as the office block in a scheme Law Land has done in conjunction with Sun Alliance and London Insurance.

Up the road at Ashford, the Amalgamated Investment and Property development in Church Road has been bought from the receiver by Samuel Properties (which is thought to have negotiated a sale and leaseback with an institution). All the ground floor shops are let, and a quarter of the 8,000 square feet of offices have gone to Ford Motor Credit at £5 a square foot.

The estimated rent roll for the fully let scheme is about £50,000, indicating a value at the time well over £½m., but Samuel will have won a considerable discount for the unlet space. Sacker and Gale have been appointed letting agents for the remaining space.

OUT AND ABOUT

● UBC, a subsidiary of the Wolseley-Hughes group, has taken 70,000 square feet of the Fairview estate at Dunstable as a regional headquarters. The building, which will include 8,500 square feet of offices and showrooms, will cost in rent something over £100,000 p.a. on occupation next year. Another 70,000 square feet of the estate went earlier this year to Export and General, Transport services, a Charrington Gardner Locket subsidiary. The rest of the estate will total 100,000 square feet of warehouse space with asking rents from £1.35 a square foot and at the front of the site, which is close to the town centre, will be 60,000 square feet of class 2 offices and showrooms. Hampton and Sons acted for Fairview and Grimley and Son for OBC.

● With 89 years of a 99-year lease from the Church Commissioners to run, the leasehold interest in the former Baker Perkins 90,500 square feet factory complex at Basingstoke has been sold by Weatherall Green and Smith for what they say is close to the £225,000 asking price. The buyer is Rima Electric, part of Sunbeam Corporation of America. The property, on the Daneshill West Industrial Estate, included 14,000 square feet of offices and rent reviews are at only 33 and 66 years.

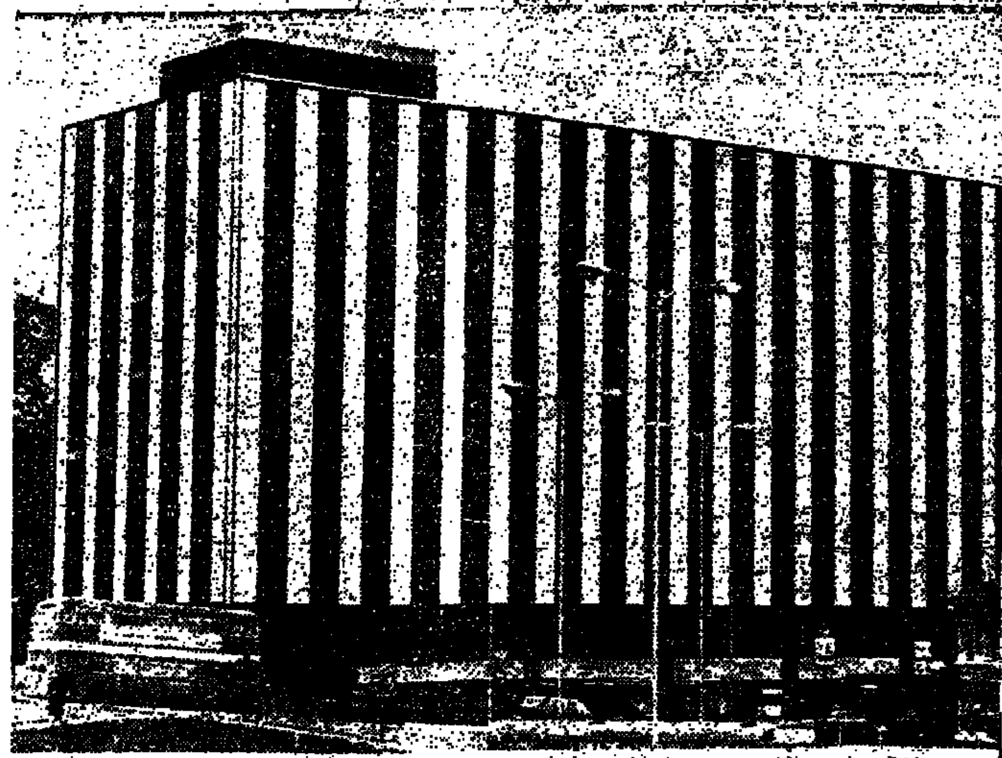
● In a week when the main industrial property news was that IBM United Kingdom had finally got its 37-acres Greenford deal with Rockware sorted out, paying £5.75m. (against the £6.25m. agreed before Ealing Council turned down its first planning application), there is also confirmation of lettings, and a new consent, from Estates Property Investment. The letting news is that the fifth phase of its £6m., 42-acre Trinity Trading Estate at Sittingbourne, Kent, has continued with R. White's Soft Drinks division of Whitbreads, Rockall Scotia Resources and Wire Belt each taking 10,000 sq. ft. The two remaining units are being offered at £1.25 per sq. ft. for 10,000 sq. ft. and £1.33 for 3,000. Letting agents are Stanley Hughes and Leslie L. Brown. The outline planning approval for EPIC is for nearly 100,000 sq. ft. of warehousing at Poynton, Macclesfield. The site there covers 37.5 acres including existing buildings let to Gallaher and Reckitt and Colman. King and Co. are acting for EPIC.

● Oriel Foods has agreed terms for the lease of a new wholesale cash-and-carry of 25,000 square feet at Caernarvon. Fairview is doing a design and build job expected to be ready for opening next Spring. The project has been funded by an institution. Shepherds acted for Oriel.

● Lynton Holdings and Townson Developments (Lancashire), a subsidiary of Townson Construction Group, reckon to have a total of 163,700 square feet in 16 new warehouse and factory units completed at their Trans-Pennine Trading Estate, Rochdale, by late summer next year. The joint Lyn company Town began the estate in 1972. In the last year the developers have completed a commission for building a 92,000 square feet warehouse and administrative complex and the sale of its six acre site in a £1.62m. deal.

● Heating engineers Young Austin and Young have bought a new 11,300 square feet building in Holloway Road, London, N19, for £360,000. The block, with ground floor showrooms, three floors of offices and two flats, was marketed by Henry Davis and Co. Hillier Parker advised the engineers.

● The ICI subsidiary Farrow Group has got long term finance from Sun Alliance to develop a four acre industrial site acquired at Cowley Mill Road, Uxbridge. Planning permission is for 74,500 square feet of warehousing. Agents, who also bought for Farrow, are Conway Relf. They are asking £2.10 a square foot.



Avis, now Europe's biggest car rental business but still No. 2 and presumably trying harder worldwide, has taken this block at Bracknell as the HQ of the management company which directs operations in Europe, Africa and the Middle East. Developed by Tarmac Properties on a site ground lease from British Rail (a new station was incorporated in the scheme), the office area is 48,000 sq. ft. and the £200,000-plus a year rent Avis has agreed equates to around £4.50 a sq. ft. That's not cheap, but agents Fletcher, King and Megran found that looking west of London, in the belt favoured for executive housing and the airport, there was little of good quality be found at around 40,000 sq. ft. They tried for Windsor House, Slough, but EI paid more, and they looked at Law Land's Sunbury development (see story on left). So Avis, who will keep Trident House, Hayes, as the base of Avis UK, will move here in February next year. Tarmac was represented by Richard Ellis, A. C. Frost and Hampton & Sons. Fletcher, King and Megran, for Avis, will also be subletting 3,200 sq. ft. on a short-term basis.

● Algrey Estates has let the first half of its office development at Chatham, a refurbishment of the Regency houses from 8 to 14 New Road, before building work is finished. Tenants are civil engineering contractors Sir John Howard and Co., with a rent of more than £3 a square foot agreed on about 4,000 square feet. The remaining 5,000 square feet will be ready by the end of the year. Walters and Randall introduced both the development and the tenants.

● Local Authorities' Mutual Investment Trust has done a leaseback deal with MEPC on Attwood House, Birmingham. This is one of the successful new Birmingham buildings. Next door to the Rotunda, the shop units include Dorothy Pe[rkins], Kendalls and Plumbs, and [...] Bank Overseas has taken majority of the 34,000 sq. feet of offices. There is one suite on the top floor to let. The price, at around [...] for the headlease, represents about 7 per cent. to the [...] for whom Hillier Parker and Rowden acted.

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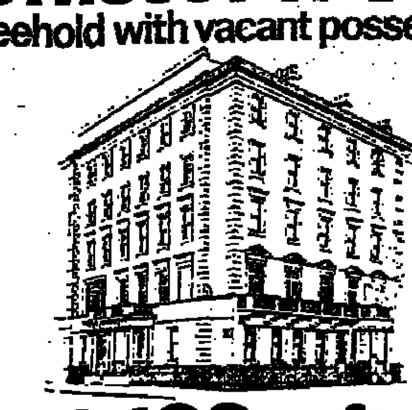

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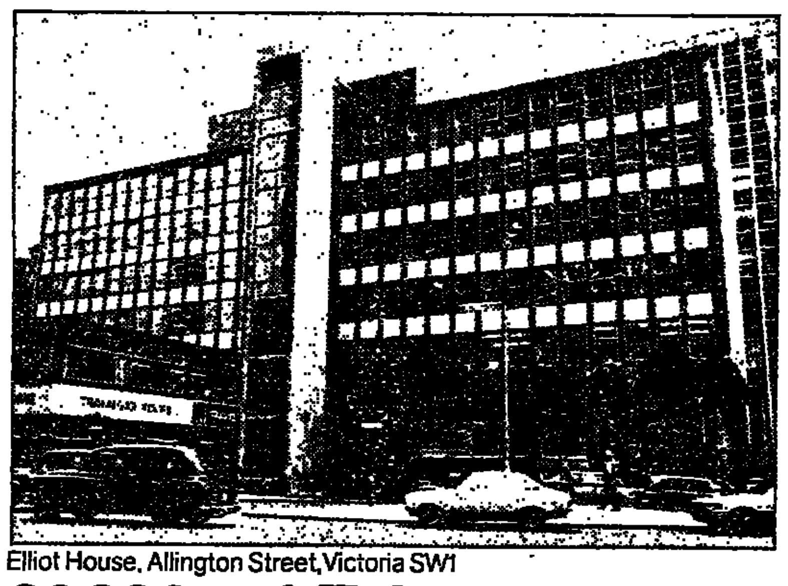

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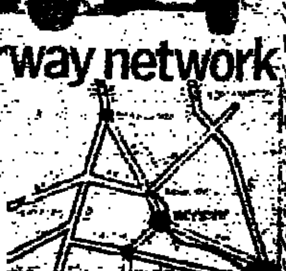

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Index falls 12 despite jobless news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 14.

SHARP LOSSES hit Wall Street to-day, wiping out most of yesterday's advance, despite the fact that the U.S. Department of Labor reported that initial claims for pobless benefits declined slightly for the week ended October 2.

The Dow Jones Industrial Average came back 12.38 to 935.92 and the NYSE All Common Index reacted 64 cents to $53.88, while declines outpaced advances by more than a two-to-one majority. But the trading volume dropped 3.08m. shares to 18.61m.

Also discounted was the flow of Corporate third quarter earnings reports which continued to show some respectable, if not optimistic results.

Some analysts, who had expected the market to extend yesterday's technical rally, were mystified by the steep decline to-day.

Late in the day, the U.S. Department of Commerce reported that Retail Sales last week fell a seasonally adjusted 1.1 per cent. This compared with a 1.4 per cent. rise in the preceding seven days.

The U.S. sluggish economy has been cited most often recently as the major reason for the Stock Market's slump the last three weeks.

IBM fell $7⅝ to $264⅞, following its higher third quarter earnings, but it said it was not confident it would be able to sustain current quarter-to-quarter earnings growth rates in the remainder of the year.

RCA sagged $¾ to $25 and Allied Chemical also were off $¾ at $36½—each reported "flat" quarterly profits.

But Kennecott Copper rose $1¼ to $31⅝ on the sale of its Peabody Coal unit for $1.2 bn. in cash and notes to a group headed by Newmont Mining.

CBS gave way $2¼ to $50½—it realigned top management positions yesterday.

Anaconda dropped $4 to $26—a Federal Trade Commission is seeking a preliminary injunction to block the merger of Anaconda and Atlantic Richfield, which declined $1 to $55.

U.S. Steel were off $1⅝ to $47½, International Paper $1¼ to $63⅞, Sears, Roebuck $1 to $65¾, General Electric $1½ to $50½, McDonald's $1¼ to $52½, and Xerox $1¼ to $60.

National Semiconductor lost $1½ to $33½—some analysts were not especially optimistic about its earnings outlook.

Texas Instruments moved down $2⅝ to $105½. Fairchild Camera $1⅞ to $46, and Hewless-Packard $2¾ to $84.

THE AMERICAN SE Market Value Index was off 0.83 to 97.60, while declines led advances by 357 to 218. Turnover approximated 1.68m. (1.77m.).

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Beatrice Foods	441,500	25½	−¼
Warner Commn.	335,600	2[illegible]	—
Citicorp.	279,000	29¼	−⅞
Ariz. P. Sr.	265,700	16⅞	−¼
Gard. Denv.	255,100	20½	−¼
Tandy	236,500	35	+2⅞
Polaroid	205,500	39⅞	−1⅞
General Motors	182,700	70⅞	−½
Southern Cal. Ed.	185,200	21⅞	−¼
Melville	160,000	21½	−⅝

OTHER MARKETS

Canada lower

With the exception of Golds, which firmed 0.59 to 239.65 on index, all other sectors lost ground in light trading on Canadian Stock Markets yesterday.

The Industrial index dipped 1.79 to 176.88, Base Metals 0.48 to 79.43, Western Oils 1.63 to 199.19, Utilities 1.17 to 142.98, Banks 0.92 to 241.79 and Papers 1.54 to 114.12.

Imperial Oil declined $⅝ to $19⅞, Inglis $½ to $14, Inco $⅝ to $30⅝, Massey-Ferguson $5 to $21¼ and Moore $½ to $31⅞.

PARIS—French shares recovered over a broad front from recent record lows. Trading was fairly active, encouraged by the anti-wealth tax remarks by Premier Raymond Barre. The one-point rise in the day-to-day money rate, however, somewhat dampened sentiment.

There was a majority of moderate gains in all groups.

L'Air Liquide rose Frs.5 to 319 on higher first-half profits, while Creusot Loire also rose Frs. 3 on its parent breaking even in the first half.

BRUSSELS—Mixed to higher after lively trading.

In mixed Steels, Hainaut-Sambre lost Frs.34 to 1,370. Metals tended higher. Asturienne rose Frs.18 to 1,020 Electricals and Utilities were firm.

Chemicals finished mixed, while Holdings weakened.

GERMANY — Shares mostly gained up to DM3, aided by Domestic and Foreign buying.

Stores led the upward trend, with Karstadt rising DM9 and Kaufhof DM6.50. Steels put on up to DM4, while Motors gained up to DM3. MAN held unchanged at DM158, despite higher 1975-76 sales.

AMSTERDAM—Strongly higher in moderate trading.

Banks moved up. Slavenburg's Bank rose Fls.4.

Dutch Industrials were predominantly higher. Van Gelder Zonen Paper-Mills advanced Fls.2, Holec Electrotechnical Equipment Fls.4, HBG Contracting Fls.1.10, KBB Department Stores Fls.1.30, KNP Paper-Mills Fls.1.30, KSH Foodstuffs and Farina-Products Fls.1 each.

SWITZERLAND—Mixed trend. Banks were narrowly mixed, Financials firmed, Chemicals were fractionally lower, while other sectors were irregular.

OSLO—Banks and Insurances were quiet, while Shippings were steadier.

VIENNA—Leading Banks were steady.

COPENHAGEN — Mixed in moderate dealings.

MILAN—Prices rallied an average 1 per cent. as they benefited from support interventions by State Banks, and from an unexpected move by the Communist Party, which took a stand against the Government decision to raise dividends tax to 50 per cent.

HONG KONG—Lower in slow trading.

Hong Kong Bank were down 10 cents to $HK18.00, Hong Kong Land 10 cents to $HK6.30, New World 4 cents to $HK1.45, Hutchison down 7½ cents to $HK3.05, Wheelock "A" 5 cents to $HK2.175, Jardine 20 cents to $HK16.00, Swire Pacific "A" 20 cents to $HK9.20, Hong Kong Electric 7½ cents to $HK4.30, China Light 50 cents to $HK24.90, Hong Kong Telephone 50 cents to $HK25.30, and Hong Kong and Kowloon Wharf 10 cents to $HK16.30.

TOKYO—Again mixed after some profit taking. Volume 180m. (same) shares.

Nippon Denso gained Y90 to 1,370, Tokyo Press Kogyo Y48 to 500, Nagase Sangyo Y42 to 450, Murata Seisakusho Y40 to 1,240, Seiyu Store Y40 to 2,090, Nippon TV Broadcasting Y40 to 3,640, Hoyo-Glass Works Y30 to 835, Daiei Y30 to 1,060, Furukawa Battery Y29 to 201 and Hisamitsu Seiyaku Y28 to 374.

But Nichii were down Y50 to 1,500, Nisshin Food Y30 to 1,210, Kureha Chemical Industry Y30 to 480, Matsushita Kotobuki Y30 to 1,890, Kyoto Ceramic Y30 to 3,420, Orient Leasing Y30 to 1,070, Chugai Pharmaceutical Y26 to 751, Maruichi Steel Tube Works Y20 to 890, Matsushita Electric Trading Y20 to 1,500 and Daiichi Kisen Y20 to 950.

JOHANNESBURG — Mostly firmer, except for Golds which were easier.

AUSTRALIA — Markets firmed across the board on "cheap" buying after several days of sharp falls.

BHP rose 14 cents to $A7.20 and its Rights 12 cents to $A3.10, while CSR moved up 15 cents to $A4.30.

Among Minings, Peko-Wallsend put on 25 cents to $A4.90, while Kathleen and Queensland Mines each gained 10 cents. Pancontinental were 50 cents higher at $A10.40.

Bank New South Wales gained 5 cents to $A4.82 and its Rights 9 cents to $A1.35.

Indices

NEW YORK—DOW JONES

	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 8	Oct. 7	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	935.92	948.30	952.35	940.82	952.38	965.09	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home B'nds*	88.56	88.80	88.66	88.64	89.95	89.85	89.86 (25/9)	85.68 (15/7)	—	—
Transport	204.67	208.98	205.85	206.32	209.58	211.02	61.27 (14/7)	175.69 (2/1)	179.88 (7/2/69)	13.23 (8/7/32)
Utilities	97.38	97.71	97.17	97.58	98.16	98.42	99.02 (21/9)	84.8 (26/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's	18,610	21,880	18,210	14,620	16,748	19,880	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Oct. 8	Oct. 1	Sept. 24	Year ago (approx.)
	4.03	3.92	3.80	4.67

STANDARDS AND POORS

	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 8	Oct. 7	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	112.77	114.38	112.81	113.80	114.87	116.04	120.89 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
Composite	100.85	102.12	100.81	101.84	102.58	103.54	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Oct. 13	Oct. 7	Sept 29	Year ago (approx.)
Ind. div. yield %	3.59	3.55	3.46	3.80
Ind. P/E Ratio	11.56	11.66	11.97	11.78
Long Govt. Bond yield	5.27	5.23	5.24	6.26

N.Y.S.E. ALL COMMON

Oct. 14	Oct. 13	Oct. 12	Oct. 11	1976 High	1976 Low
53.88	54.52	53.87	54.32	57.51 (21/9/76)	47.06 (2/1/76)

Rises and Falls	Oct. 14
Issues Traded—1,856	Up—432
Down—987	Same—437
New Highs 27	New Lows 39

MONTREAL	Oct. 14	Oct. 13	Oct. 12	Oct. 8	1976 High	1976 Low
Industrial	176.01	177.78	176.60	179.65	207.53 (19/6)	176.01 (14/10)
Combined	176.73	178.30	177.29	180.55	198.78 (20/5)	175.67 (2/1)
TORONTO Industrial	176.88	178.67	177.45	180.47	197.45 (20/2)	175.01 (2/1)
JOHANNESBURG Gold	142.9	142.8	145.8	144.6	229.7 (12/5)	115.5 (25/6)
Industrials	181.6	183.1	184.6	186.4	216.0 (21/5)	177.1 (30/5)

	Oct. 14	Previous	1976 High	1976 Low
Australia (a)	441.21	433.52	[illegible] (19/2)	437.58 (15/10)
Belgium (b)	87.74	87.14	112.17 (2/2)	87.74 (15/10)
Denmark (c)	103.14	103.19	111.70 (19/2)	[illegible] 14 (14/1)
France (e)	64.0	64.0	74.5 (5/3)	64. (15/10)
Germany	705.7	699.5	821.1 (1/3)	690.5 (15/10)
Holland (g)	77.8	77.3	100.5 (2/2)	71.9 (15/10)
Hongkong (h)	423.84	394.31	[illegible]	324.55
Italy (i)	69.27	69.05	91.57 (25/2)	69.05 (15/10)
Japan (m)	353.54	353.22	383.51 (1/3)	350.28 (13/10)
Singapore (n)	255.09	255.26	[illegible]	[illegible]

	Oct. 14	Previous	1976 High	1976 Low
Spain (p)	76.98	77.56	100.79 (7/3)	76.98 (14/10)
Sweden (q)	364.20	365.94	476.94 (10/2)	364.20 (14/10)
Switzerl'd (r)	266.8	266.9	298.6 (1/3)	266.8 (14/10)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10). (a) Sydney All Ord. (b) Belgian SE 31/12/63 (c) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953 (g) Amsterdam Industrial 1970 (h) Hang Seng Bank 31/7/64 (i) Milan 2/1/73 (m) Tokyo New SE 4/1/68 (n) Straits Times 1966 (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58 (r) Swiss Bank Corp 31/12/58 (u) Unavailable. ‡ Excluding bonds * 400 Industrials. † 400 Inds. 40 Utilities, 40 Finance and 20 Transport (v) Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated.
♥ Ptas.500 denom. unless otherwise stated.
♣ Kr.100 denom. unless otherwise stated.
⊕ Frs.500 denom. unless otherwise stated.
• Yen 50 denom. unless otherwise stated.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—121¼% (121⅛%).

NEW YORK

CANADA

GERMANY ♦

PARIS

AMSTERDAM

MILAN

BRUSSELS/LUXEMBOURG

TOKYO

SWITZERLAND

COPENHAGEN

VIENNA

AUSTRALIA

JOHANNESBURG

STOCKHOLM

OSLO

BRAZIL

SPAIN

£ falls sharply

Sterling fell sharply in the foreign exchange market yesterday, but the major selling period was confined to the early morning, and although the pound moved up and down sharply during the day, it did show a ½ cent improvement from the worst level touched in the morning. After opening at $1.6330-1.6340 the rate fell quickly to $1.6345-1.6355, but drifted up to around $1.64 before news that the National Union of Miners has deferred a ballot on industrial action, pushed it up to $1.6425. Publication of the September trade figures was followed by a fall about ½ cent to $1.6360-1.6380, but by the close the pound had drifted back up to $1.6395-1.6405, a fall of 1.45 cents on the day.

Forward sterling was also weak, with the three-month discount against the dollar, widening to 5.55 cents from 5.30 cents.

The authorities may have intervened from time to time in the market, but if so it was on a very small scale and it was suggested by some dealers that support was unlikely yesterday.

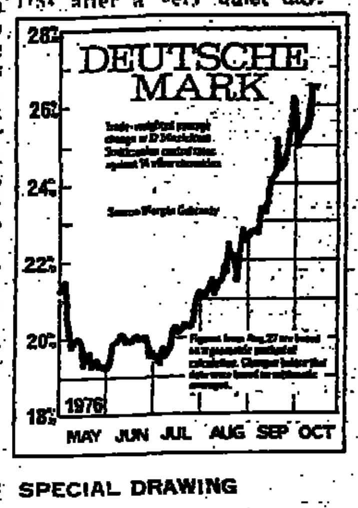
Sterling's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, widened to a worse ever closing level of 45.6 per cent., from 45.1 per cent., and was equal to the worst level ever touched at 45.7 per cent., at noon.

The French franc improved slightly yesterday, probably with assistance from the Bank of France. The recent sharp increase in day-to-day money interest rates in Paris has led to speculation that Bank Rate may be raised in the near future.

The latest foreign exchange restrictions introduced by the Italian authorities further restricted dealings in the Italian lira.

The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty of New York, narrowed to 2.57 per cent. from 2.72 per cent.

Gold closed unchanged at $114¼-115¼ after a very quiet day.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Oct. 14	Oct. 13
Sterling	0.704643	0.699461
U.S. dollar	1.15491	1.15572
Belgian franc	43.0839	43.2384
Deutschemark	2.80528	2.80865
French franc	5.78350	5.80200
Italian lira	972.781	973.550
Japanese yen	336.079	334.350
Dutch guilder	2.95022	2.94882
Swedish krone	4.89566	4.91008
Swiss franc	2.81914	2.82134

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES*

GOLD MARKET

	Oct. 14	Oct. 13
Gold Bullion (a fine ounce)		
Close	$114¼-115¼	$114½
Opening	$114¾-115¼	$114.[illegible]
Morning fix'g	$114.90 (£69.895)	$114.[illegible] (£69.[illegible])
Afternoon fix'g	$114.85 (£70.009)	$114.[illegible] (£69.[illegible])
Gold Coins domestically		
Krugerrand	$118-120 (£72-73)	$117¼ (£71-7[illegible])
New Sov'r'gns	$4[illegible]-44½ (£26-27)	$42½ (£25[illegible])
Old Sov'r'gns	$41-43 (£25¼-26¼)	$41½ (£25½)
Gold Coins (Intern'nally)		
Krugerrand	$118-120 (£72-73)	$117¼ (£71¼)
New Sov'r'gns	$42-44 (£25¾-26¾)	$42.44 (£25¾)
Old Sov'r'gns	$35¾-38¾ ([illegible])	$37.3[illegible] ([illegible])
$20 Eagles	$190-193	$190-1[illegible]
$10 Eagles	$1[illegible]5-1[illegible]6	$102-1[illegible]
$5 Eagles	$66-69	$67-7[illegible]

FOREIGN EXCHANGES

Oct. 14 1976	Bank Rates %	Day's Spread
New York	5½	1.6345-1.6645
Montreal	9½	1.5909-1.6096
Amsterdam	7	4.15½-4.22¼
Brussels	9	60.80-61.60
Copenhagen	11	[illegible]
Frankfurt	3½	3.98-4.02
Lisbon	6½	61.00-61.70
Madrid	7	111.20-112.60
Milan	15	1,375-1,400
Oslo	6	8.60-8.77
Paris	10½	8.17½-8.28½
Stockholm	8	6.98-7.02
Tokyo	6½	475-480
Vienna	4	[illegible]
Zurich	2	3.98-4.04

* Basic discount. ‡ Rates given convertible franc: financial [illegible] 63.10.

OTHER MARKETS

Argen'na	223.65-228.65	Argentina
Australia	1.5160-1.5175	Austria
Brazil	18.85-19.05	Belgium
Finland	6.35-6.52	Brazil
Greece	59.556-61.965	Canada
Hng Kong	8.0375-8.0975	Denmark
Iran	114-118	France
Kuwait	0.475-0.485	Germany
Luxemb'g	61.15-61.35	Greece
Malaysia	4.1600-4.1725	Italy
N. Zealand	1.6785-1.6857	Japan
Saudi Arab	5.78-5.88	Netherlands
Singapore	4.1485-4.0905	Norway
S. Africa	1.4182-1.4[illegible]	Portugal
U.S.		Spain
Canada		Switzerland

FARMING AND RAW MATERIALS

Metals boosted by weak £

BY JOHN EDWARDS, COMMODITIES EDITOR

THE RECOVERY in London metal prices, from the lows plumbed on Monday, continued yesterday aided by the fall in the value of sterling. But market sentiment remains uncertain and nervous about the future. Covering of previous "short" sales, and some trade and speculative demand at the lower level, provided the main buying interest in a somewhat oversold market.

Copper cash wirebars closed £10.25 higher at £762.5 a tonne, and the three months quotation reached £808 in pre-market trading before drifting back to close £11.5 up at £798.25.

The lead and zinc markets followed the trend set by copper, despite confirmation by many North American producers that they were cutting their U.S. domestic market zinc prices back to 37 cents a lb following the cut initiated by Amax earlier this week.

It was felt the market had now fully discounted the price cuts. Cash zinc gained £4 to £382 a tonne. There was a smaller advance in lead, but values are already above last Friday's levels unlike copper and zinc.

Tin values also made only marginal gains, despite a rise in the Penang market overnight and the decline in sterling. There was nervous profit-taking and the market is still awaiting the result of the International Tin Council meeting in London, due to end to-day, where producers' demands for higher price ranges are being discussed.

The fall in sterling brought a generally firm undertone to other London commodity markets. Coffee values rose sharply in early dealings, although falling back later when profit-taking sales hit a rather hesistant market. The January position eventually closed at £1,963 a tonne after reaching £1,985 at one stage.

Rubber, wooltops and London grain prices also moved higher. But soyabean meal and sugar lost ground. Sugar was depressed by the unexpectedly high world production forecast by Licht and the comparatively low price paid by Morocco at a recent buying tender. The London daily price for raw sugar was cut by £2 to £128 a tonne.

London cocoa market trading confused

BY RICHARD MOONEY

COCOA PRICES closed lower on the London terminal market yesterday after a confusing day in which a disappointing West German third quarter grinding figure, a bullish correction to the U.S. grind and the weakness of sterling all vied for dealers' attention.

Currency considerations dominated the market early on backed up by the U.S. demand correction by the Chocolate Manufacturers' Association. This revealed that the actual rise between the third quarter of 1975 and the same period in 1976 was 5 per cent., not 3 per cent. as originally stated. The error arose from the quotation of 58,654 short tons as the 1975 third quarter grinding total instead of 57,581.

This correction does not alter the fundamental situation as the actual September grinding figure is not changed, and in any case the discrepancy had not escaped traders' notice. But the news gave an added boost to the market.

By comparison reaction to the West German third quarter grind announcement — which showed a rise over the same quarter of 1975 of only 2.1 per cent. against expectations of an 8-10 per cent. increase—was relatively restrained. German traders commented that the figure may have been overshadowed by the earlier U.S. and U.K. announcements They said their disappointment was heightened by the fact that the 1975 third quarter result had been heavily depressed by the recession. The latest figure simply means that German consumption has returned to 1974 levels

The result of these factors was an unchanged market at lunchtime, but prices moved up sharply in the afternoon in anticipation of a higher New York opening. New York opened even higher than expected and the March position on the London market was pushed up to £1,676 a tonne at one time, But aggressive selling set in at this level and the March price quickly fell to £1,626 a tonne before steadying to end the day on balance £22 lower at £1,631.5 a tonne. The basic market tone remains bullish however.

Egg prices to fall next week

By Richard Mooney

EGG PRICES will fall sharply next week, according to the Goldenlay egg marketing consortium. It said the cuts — the first since June — will trim prices for large eggs by 5p a dozen and standard by 4p. This should bring large eggs down to about 45p a dozen and standard to 40-42p. Medium eggs will remain unchanged.

Goldenlay said the reductions had been made necessary by over-production coinciding with a seasonal fall in demand. Total U.K. output rose from around 410,000 cases a week to 420,000 during the summer. But instead of falling off as usual after the August Bank holiday, production continued to rise reaching 425,000 cases a week. Until recently, the resulting surplus had been exported to the Middle East, where demand remains strong.

Now, however, British export prices have been undercut by Romania and Finland, where acute surpluses have also developed.

The lower prices are not expected to last more than a few weeks, however. A seasonal rise in demand should be boosted by the lower prices and in the meantime production will be effectively discouraged. Goldenlay pointed out that the price cuts would take virtually all U.K. producers into the red.

No shortage of minerals says UN report

UNITED NATIONS, Oct. 14

THERE IS no problem in this century of absolute scarcity of minerals but rather one of exploiting less productive and more costly deposits and of intensive exploration of new deposits, a United Nations' report said.

The report is the result of a study conducted at Harvard and Brandeis Universities in Massachusetts by a team of economists, and largely financed by the Netherlands Government. An international group of experts are scheduled to meet here later this month to discuss the report and plan future uses of it.

According to the study, there will be a tremendous growth in world consumption of minerals until the end of the century, with demand for copper, lead, iron ore and coal expected to increase almost five-fold and for bauxite, zinc, nickel and natural gas more than four-fold.

GRAIN SUPPLIES

U.S. expects to use and sell more wheat

BY OUR COMMODITIES STAFF

THE U.S. Department of Agriculture forecast yesterday that the U.S. will be using more wheat from this year's harvest than originally forecast and it will also be exporting more.

In its latest supply-demand estimates it puts domestic usage at about 845m. bushels compared with 810m. forecast in September. It also raised its likely export total by 50m. to 1,100m. bushels.

Together these increases will mean that the carry-over stocks next June 1 will be around 849m. bushels compared with 946m. forecast last month.

Earlier the Department announced that the Soviet Union had bought a further 100,000 tonnes of U.S. Hard Winter wheat, Reuter reported from Washington. The sale brought the total bought by the USSR under the first year of its grain agreement with the U.S. to 6.65m. tonnes of grain made up of 2.65m. tonnes of wheat and 4m. tonnes of maize.

Meanwhile from East Berlin there was a report by the official ADN news agency that the Soviet Union had promised East Germany a significant amount of grain to counteract considerable shortages caused by the drought this summer. Observers said the report was the first major official reference to the problems facing East Germany as a result of drought.

The agency said the "considerable" shortages included a lack of cattle fodder.

Farmers and experts were discussing ways of using more straw pellets to maintain cattle stock levels, the East Germans added.

Mr. Leonid Brezhnev, Soviet Communist Party chief, had recently promised Herr Erich Honecker, the East German Party leader, "a significant amount" of grain.

Western sources say East Germany needs at least 10m. tonnes of grain a year. With a good harvest, it can produce 8m. or 9m. tonnes itself and buys up to 2m. tonnes from the Soviet Union. However, Western experts say the drought may have left East Germany with a grain deficit of up to 4m tonnes.

Observers say it is not clear whether the "significant amount" of Soviet grain will be enough to meet East German needs.

Western banking sources say the East Germans have approachde American and European banks for new credits of DM1bn., apparently to pay for possible grain imports, particularly from the U.S.

In London the latest Commonwealth Secretariat estimate of world grain production (wheat, maize, barley, oats and rye) was put at 982m. tonnes on the basis of statistics available in mid-October.

The overall estimate (unchanged against mid-September) represents an 8.6 per cent. rise on 1975-76.

● In Tokyo the International Wheat Council now thinks world wheat production during the 1976-77 season will reach a record of 386m. to 396m. tonnes and possibly could exceed 400m. tonnes.

The IWC's latest estimate was disclosed here to-day by Mr. J. H. Parotte, its executive secretary, in a speech to Japanese officials and businessmen. It compares with an estimated 354m. tonnes produced last season.

A Council spokesman in London said the estimate had been revised in preparation for Mr. Parotte's speech. He said it allowed for the latest forecasts that this year's Soviet harvest would be about 85m. tonnes.

Mr. Parotte warned however that the long-range outlook for 1976 to 1980 envisaged wheat consumption as likely to exceed output, and a consequent shortage.

He therefore suggested that a global grain stockpile should be incorporated in the new International Wheat Agreement to cover the estimated shortage.

Use more soya USSR is urged

WASHINGTON, Oct. 14.

SOYABEANS SHOULD play an increasing role in the Soviet Union's food economy, both as a source of high protein livestock feed and also for direct food use, Mr. Richard Bell, U.S. Assistant Agriculture Secretary said here to-day.

In remarks prepared for a soya-protein seminar in Moscow and delivered by the U.S. Agriculture Attache there Mr. Bell praised the Soviet accomplishments in livestock production during the recent five-year plan.

He said the next plan's goal could be reached and perhaps exceeded if soyabean meal was fed to livestock.

He also urged the Soviet Union to use soya protein as an extender in meat products, especially sausage, which he said accounted for half of the USSR's meat consumption. He said soya protein could enrich bakery products too.

The USDA said earlier that U.S. soyabean stocks on September 1, at 244m. bushels, were larger than previously anticipated. But this was offset by a slight reduction in crop prospects.

It repeated its estimates of soyabean exports of about 525m. bushels and its projection for domestic crushings at about 785m. bushels. But it raised its estimate of soyabean oil exports to about 1.15bn. lbs. from 1.1bn. estimated a month ago.

Reuter.

Concern over European maize growing

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

CONTINUED NORTH American production of wheat at present levels, coupled with an improvement in EEC supplies next harvest, could lead to a surplus situation next summer. This could lead the U.S. and other countries to seek outlets to prevent an increase in stocks. Or even to taking measures of "supply management" (a euphemism for taking land out of production in the American context), or production quotas elsewhere.

The position for maize is rather more encouraging. Because of the European drought, maize imports for animal feed are expected to rise, and the French crop is expected to be very disappointing at just over 5m. tonnes—about the lowest level since the crop became established in the late 1960s. It does seem that maize growing under French conditions is highly vulnerable to marginal climatic changes, and some of the optimism which encouraged its cultivation in central and even northern France has not been fulfilled. American cultivation shows consistently higher yields than in France.

The comparative failure of maize to succeed under European conditions is of considerable concern. It had been found, that when successful, it could be rotated with wheat, and provide a far higher total output of grain over the years than any comparable cereal rotation. It is possible that hybrid varieties will come along which by earlier ripening will prove successful in central France, and perhaps further North under average climatic conditions. But until this happens, talk of EEC self-sufficiency in cereals will still be premature.

The main outlet for U.S. maize, besides exports, is for animal feed, and this to some extent depends on the beef and pig industry in the U.S. If cattle are cheap to buy and can be economically fed maize at prices approximating those at present ruling, it is probable that the year-end stock forecast of 10m. tons will not be exceeded.

But any recession in the U.S. economy could cause a marked reduction of demand and a consequent pressure to sell. It is also possible that if wheat prices fall much closer to those for maize a substantial amount could be diverted to that market.

European markets could also be under some pressure, and the probable explanation is a combination of reduced production of livestock products due to the recession and a slight diminution of livestock numbers. There is also a disturbing element in that there is now considerable substitution of grain in animal feed rations.

In Holland over the years there has been a reduction of the cereal content of compounds from nearly 50 per cent. down to less than 20 per cent.—a move which is being copied in other Community countries, and which is brought about by the very high cereal prices fixed in the Community.

To sum up, the grain market does look vulnerable to unorganised selling by American farmers in the absence of higher levels of Government support, or to further sales by the Canadian authorities. It is possible that certain countries—notably India and the USSR — will take the opportunity of increasing their stocks of wheat, but will undoubtedly be watching things very closely. The European Community is unlikely to be much affected this year as it does not look as though there will be much surplus grain this year for export to world markets in competition with cheaper U.S. grain. But if there is a normal harvest next time, the position could be materially changed.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

[illegible]

Cathodes, cash £730, 30.5, 30. Three months £785. Kerb: Cash £763.5, 3, three months £799, 8.5, 8, 7, 8, 7.5, 8, 8.5, 99. Cathodes, three months £782.5. Afternoon: Wirebars, three months £800, 800.5, 01, 800.5, 800, 799, 97, 98, 99, 98.5, 98. Kerb: Three months £798, 98.5, 99, 99.5, 800, 801, 02, 03.

TIN—Slightly higher although the [illegible]

LEAD—Little changed in a quiet [illegible]

ZINC—[illegible]

[illegible] drifted and forward metal closed on the Kerb at £5,040. Turnover 980 tonnes.

Morning: Standard, cash £4,950, 55, 50, three months £5,030, 25, 15, 20, 25, 20. Kerb: Standard, three months £5,015. Afternoon: Standard, cash £4,990, 95, three months £5,035, 40, 45, 50, 45, 42, 40. Kerb: Standard, three months £5,040, 35.

We are pleased to announce the election of

ANGUS C. LITTLEJOHN

as

Deputy Chairman

ICM CARBOMIN CORPORATION

25 Broadway

New York, New York 10004

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SILVER

[illegible]

FREIGHTS

[illegible] from the Great Lakes to Antwerp-Hamburg paid $19 f.i.o. in Nov. Most other sections of the freight market remained dull with fresh chartering slow to develop. A fair activity was maintained in the timecharter sector, however, with a vessel of 16,500 long d.w.t. being booked with delivery Japan for a round voyage via East or West Coast Africa at $3,800 daily, and a vessel of nearly [illegible]

COFFEE

[illegible]

SUGAR

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

COCOA

[illegible]

GRAINS

[illegible]

LONDON GRAIN FUTURES MARKET

(GAFTA)—Wheat, steady. Close: Nov. 82.85, Jan. 86.00, March 88.65, May 90.90, Sept. 92.70. Business: Nov. 82.85-82.55, Jan. 85.95-85.45, March 88.35-88.25, May 90.90-90.40, Sept. 92.70-92.55. Total sales: 180 lots. Barley, steady. Close: Nov. 79.80, Jan. 83.05, March 85.90, May 88.20, Sept. 90.80. Business: Nov. 79.80-79.50, [illegible]

VEGETABLE OILS

LONDON PALM OIL TERMINAL—The market opened firm following the limit-up Chicago overnight and the strength was further helped by weak sterling. However, after a slight recovery in the pound and with Chicago soyabean oil opening lower the market closed slightly [illegible]

MEAT/VEGETABLES

[illegible]

WOOL FUTURES

[illegible]

JUTE

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Oct. 14 1976	+ or —	Month ago
Metals			
Aluminium (a)	£579	....	£579
Free Market (cis)	$850-870	....	$955-975
Copper			
Cash Wire Bars (w)	£762.5	+10.25	£826
3 months do do. (w)	£798.25	+11.5	£858.25
Cash Cathode (w)	£750.5	+11.5	£812.5
3 months do. do. (w)	£785.5	+12.5	£844.25
Gold ... Troy oz.	$114.875	..	$115.25
Lead Cash (w)	£283.2	+1.5	£273.75
3 months (w)	£295.25	+1.75	£285.25
Nickel (w)	£3,202.9	....	£2,795.5
Free Market (cif) (lb)	$2	—2.15	$2.05-.20
Platinum (b) troy oz.	£109-115	....	£105-88½
Free Market	£94.8	....	£89.7
Quicksilver (76lb) (z)	$88-104	—1.5	$85.90
Silver Troy oz	256.9p	+1.9	246.2p
3 months	287.3p	+2.0	254.2p
Tin Cash (w) $	£4,875	+12.5	£4,515
3 months (w)	£5,037.5	+20.0	£4,631
Wolfram 22.04lb cif	£75½-77½	+1.25	£73½-75
Zinc Cash (w) §	£382	+5.0	£406
3 months (w)	£389.75	+3.5	£422.5
Producers (r)	$795	....	$795
Oils			
Coconut Malayan	‡	....	‡
Groundnut %	£616	....	£466
Linseed Crude (z)	£450	....	£458
Palm Malayan (w)	$453	+8.0	$458
Soyabean (z)	‡	....	‡
Seeds			
Copra Philipp (z)	$340	+2.5	$350
G'nuts Nigerian	‡	....	‡
Linseed Can. No. 1	£212	+7.0	£194.5
Grains			
Barley EEC	£79	+0.5	£80.25
Home Futures	£79.8	+1.0	£78.85
Maize			
French No. 3 Am.	£81	+0.5	£80
S.A. Yellow	‡	....	‡
Wheat			
No. 1 Red Spring	‡	....	£88.9
No. 2 Hard Winter	£89.25	+4.1	£84.6

[illegible]

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

Grains and sugar fall: coffee weak

NEW YORK, Oct. 14.

COPPER closed higher on Commission-house buying but silver closed lower on the day following a lower grain market which prompted trade selling. Grains closed lower on Commission-house stops and local selling. The coffee market closed limit-down on trade and local selling. European selling weakened cocoa, Bache reports.

Cocoa—Ghana spot 135½ (136½). Bahia spot 130 (131). Dec. 120.00 (120.90), March 114.30 (115.30), May 110.15, July 106.00, Sept. 102.00, Dec. 95.65, March nil. Sales: 1,217 lots.

Coffee—"C" Contract: Dec. 170.90-170.50 (178.70), March 164.30 asked (167.50), May 162.60 asked, July 161.25, Sept. 159.25 asked, Dec. 153.90 asked, March nil. Sales: 572.

Copper—Oct. 57.40 (56.80), Nov. 57.50 (56.00), Dec. 57.90, Jan. 53.40, 59.40 settlements. Sales: 4,510 lots.

Cotton—No. 2: Dec. 78.01-78.30 (79.55), March 78.85-79.30 (80.55), May 79.11-79.35, July 77.60, Oct. 70.60, Dec. 67.80, March 67.40-67.80. Sales: 4,550 lots.

¢Gold—Oct. 114.60 (same), Nov. 114.70 (114.50), Dec. 114.90, Feb. 115.00, April 115.30, June 115.70, Aug. 116.50, Oct. 117.00, Dec. 117.70, Feb. 118.50 settlements. Sales: 382 lots.

Greasewool—Spot 180.0 nom. (same), Dec. 177.5-184.0 (same), March 177.5-188.0 (same), May unquoted.

†Lard—Chicago loose 18.00 (18.50), NY prime steam 20.50 nom. (20.00 nom.).

††Maize—Dec. 265½-266 (275½-274½), March 274½-274½ (283-283½), May 280-280½, July 263½-264, Sept. 277.

‡Platinum—Oct. 156.50 (155.60), Jan. 158.90 (155.60), April 161.00, July 164.60, Oct. 167.50, Jan. 170.50. Sales: 475 lots.

‡‡Silver—Spot 419.20 (421.50), Oct. 415.00 (421.30), Nov. 416.10 (423.50), Dec. 417.50, Jan. 418.80, March 422.00, May 427.10, July 431.40, Sept. 436.10, Dec. 443.50, Jan. 446.00 settlements. Sales: 13,330 lots.

Soyabeans—Nov. 631-630 (645½), Jan. 638-636 (652½), March 643½-641, May 645, July 645, Aug. 642, Sept. 626 asked, Nov. [illegible]

STOCK EXCHANGE REPORT

Dull trend but muted late response to trade figures

Share index down 2.9 at 289.0—BP advance afresh

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9
Nov. 1	Nov. 11	Nov. 12	Nov. 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With the 3.30 p.m. announcement of the September trade figures much in line with expectations, there was little further movement in either British Funds or leading equities during the late dealings. Prior to the trade figures, the tone was distinctly unsettled and equities gradually edged lower on scattered selling and lack of support which pushed the FT 30-share index down to its lowest of the day at noon with a fall of 4.7. This was reduced to a loss of 3.3 at 3 p.m. on bear closing and, with little further activity being seen after-hours, the index closed 2.9 down on balance at 289.0.

British Funds drifted lower on lack of support and a little nervous selling, but long-dated issues regained earlier falls of ¼ to ⅜ and closed without alteration. On the other hand, shorts finished with falls extending to ¼, but the tone at the end was fully steady. The Government Securities Index eased 0.05 to 56.72.

Overall it was a very quiet day—official markings of 4,664 were the lowest so far this week—and movements in secondary issues were mixed. Falls, however, had the edge over rises by 4—3 in FT-quoted Industrials, while the FT-Actuaries All-Share index gave up 0.2 per cent. to 122.46. Nevertheless, there were several good features, with British Petroleum again well to the fore with a rise of 10 at 613p, after 630p, in continued response to the upward revision in its production figures for the Forties Field.

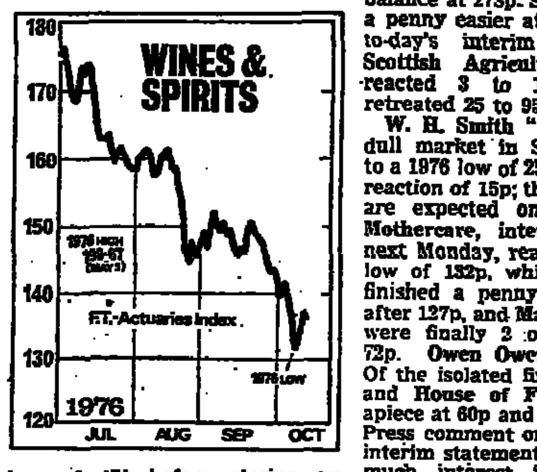
The September trade figures had no late impact on the Gilt-edged sector. A little nervous selling in front of the announcement saw short-dated issues drift lower to close with losses extending to ¼, but the longs recovered initial falls ranging to ⅜ to close without alteration on balance. Activity throughout the session was at a very low ebb. Dealings are due to start to-day in the £600m. of new tap stock, Treasury 15½ per cent., 1998, and the £400m. of Treasury 3 per cent., 1982, stock.

A fairly quiet morning in the investment currency market saw the premium edge ahead in the wake of easier sterling. The rate touched 123¾ per cent. just ahead of the trade figures, with institutions showing revived interest, but then it slipped back to close the day a net ¼ down at 121¼ per cent. Yesterday's SE conversion factor was 0.7173 (0.7103).

After an early attempt to go better, the big four Banks soon turned lower for want of support. Barclays ended 5 off at 210p, after 208p, and National Westminster were 4 easier at 183p, after 180p. With the exception of Hongkong and Shanghai which dipped 8 to 302p late Overseas issues generally fared better. ANZ were 15 higher at 335p as were Bank of New South Wales, at 510p, with the "new" nil-paid shares 11 dearer at 138p.

Insurances passed a quiet session and closed narrowly mixed. "Royals" shed 4 to 232p and C. E. Heath were 5 down at 315p but Brentnall Beard ended 2 dearer at 36p.

Hopes of more bid situations developing within the sector following Allied Breweries offer terms for Teacher (Distillers) continued to help other selected Distillery issues which encountered further speculative support. Glenlivet rose 8 to 205p and Highland gained 6 more to 92p, making a gain on the week so far of 14. After Wednesday's jump of 128p on the terms from AB, Teacher eased to 365p before picking up to close a net 2 harder at 370p; Allied touched a 1976 low of 47½ before closing unaltered at 48½p. Tomatin, on the other hand, ran back 4 to 38p. Tollemache and Cobbold continued to attract speculative support in Breweries and closed 2 more up at 125p.



Buildings were generally easier where changed. Taylor Woodrow lost 4 to 193p, while R. Costain, 109p, Marley 35p, and BPB Industries, all closed 3 cheaper. McNeill eased 3 to 32p on the first-half profits setback, but F. J. C. Lilley contrasted with a rise of 2 to 25p on further consideration of the interim statement. Erith, 3 better at 53p, were also firm following interim figures. Dealings were suspended yesterday in David Charles Ordinary (4p) and Preference (60p) at the company's request pending clarification of the company's position; it was announced late yesterday that a receiver had been appointed.

ICI continued to perform erratically, moving between extremes of 276p and 280p before closing a penny cheaper on balance at 278p. Storey Bros. were a penny easier at 49p in front of to-day's interim results, while Scottish Agricultural Industries reacted 3 to 182p and Akzo retreated 25 to 950p.

W. H. Smith "A" continued a dull market in Stores, losing 11 to a 1976 low of 255p for a two-day reaction of 15p; the interim figures are expected on November 11. Mothercare, interim report due next Monday, reacted 4 to a 1976 low of 132p, while Gussies "A" finished a penny easier at 128p, after 127p, and Marks and Spencer were finally 2 off at 73p, after 72p. Owen Owen fell 5 to 35p. Of the isolated firm spots, Currys and House of Fraser put on 2 apiece at 60p and 50p respectively. Press comment on Empire Stores' interim statement failed to create much interest in Mail Orders which closed little changed on the overnight levels. In Shoes, Hiltons Footwear reacted 3 to 37p.

Leading Electricals fluctuated narrowly before closing marginally down on the previous day's close. GEC ended a penny off at 119p, after 117p, and EMI finished 2 cheaper at 178p, after 176p. Reyrolle Parsons gave up a penny at 90p as did Plessey at 61p. Thorn Electrical were also dull, the Ordinary and "A" losing 4 and 2 respectively at the common level of 144p. Among secondary issues, M. K. Refrigeration eased 3 to 64p. Against the trend, Pressac edged up 2 to 27p on the substantially improved earnings.

Engineering majors found little joy in a rather drab session and wilted with the general trend. GKN drifted down 8 to close at the day's lowest of 228p, while Tube Investments lost 4 at 248p as did Hawker, to 338p; the latter's interim results are due next Tuesday. Vickers touched a 1976 low of 118p before ending a net 3 easier at 120p. Secondary issues took on an irregular appearance. Up 32 on Wednesday in response to the bid terms from CompAir (2 lower at 50p), Desoutter went further ahead to reach 133p on the Board's rejection of the offer and hopes of a subsequent increased offer before easing to close 2 harder on balance at 127p. Currently in receipt of a bid worth 120p cash from Wormalds International, an Australian concern, Mather and Platt found fresh support and closed 5 up at 110p, while further consideration of the record first-half figures left Francis Industries 2 dearer at 31p. Auto-Oil were friendless at 30p, down 6, and Hopkinsons gave up 3 to 47p. Root Harvesters were unmoved at 27p following the interim results.

Among quiet Foods, J. Lyons closed 2 off at 42p following news of an investigation by the Monopolies Commission into the ice cream industry. Similar declines were seen in Associated Dairies, 168p, and Northern Foods, 47p, while Rowntree Mackintosh reacted 4 to 152p. Cullens Stores were also out of favour, the Ordinary losing 3 to 70p and the "A" receding 2 to 50p. Reflecting strength in the dollar premium, Kraftco hardened 1½ points to £39¾.

Anglo-Am. Asphalt up

The miscellaneous Industrial leaders fluctuated narrowly and closed on a mixed note. Glaxo ended 2 better at 302p, after 303p, but Boots lost 2 more to 84p, after 83p. Beecham were down to 289p at one stage, but rallied to close only a net penny off at 291p. Reckitt and Colman fared rather worse at 285p, down 8, but Unilever picked up 6 at 346p, while the NV were motivated by the dollar premium and put on ¾ to £21¼. Among secondary issues, Anglo-American Asphalt encountered demand which took the shares up to 69p before a close of 61p for a net gain of 6; the interim results are expected next month. Dunbee-Combex-Marx hardened 2 to 142p on the interim statement while, elsewhere in toys, MY Dart gained 4 to 32p. Lower interim profits left Fothergill and Harvey 1 easier at 76p, Sears ½ off at 30½p and Martin-Black 4 down at 82p. British Industrial Holdings remained a nervous market ahead of results, expected shortly, and gave up 3 to 82p for a two-day fall of 7½. Reflecting Australian advices, Broken Hill Proprietary regained 20 more at 735p.

Press comment directed fresh attention to Henlys which moved up 6 to 68p for a rise so far this week of 14. ERF moved up 3 to 30p, while Caffyns were 2 harder at 68p and Glanfield Lawrence a penny better at 13p. Reflecting Overseas advices, General Motors Units were marked up 12 to 304p.

Thomson Organisation continued to feature in otherwise listless Newspapers, improving 14 to 278p for a two-day gain of 21 on fresh speculation about the company's North Sea oil interests. Papers/Printings were again quiet and little altered, although IPG reflected its dividend increase with a rise of 1¼ points to £21½.

BP below best

Recent encouraging production news from the Forties Field remained the spur for another good day in British Petroleum; after opening higher at 620p on U.S. demand, the shares went further ahead on London interest to 630p, before reacting late to close a net 10 up at 613p. A more modest business was seen in other Oils, with Shell improving afresh to 372p before ending 2 down on the day at 364p. Dollar premium influences played the major role in the fortunes of Royal Dutch, which opened at £39 and touched £39¾ before closing a net ½ up at £38¾. Burmah, still reflecting disappointment with the half-yearly financial statement, touched 31p initially, but closed a penny down on balance at 29p. Berry Wiggins provided a small feature, the encouraging statement on prospects overshadowing the loss for the first half-year and leading to a gain of 3 to 20p. Overseas issues had Ranger Oil ½ up at £11[11/16].

Property leaders hardly stirred all day, while secondary issues recorded minor mixed movements. B. Sunley were on offer at one stage and down to 68p, but rallied to close a net 2 off at 70p. Other easier spots included A. and J. Mucklow, 3 off at a 1976 low of 137p. On the other hand, C. H. Beazer, at 60p, recovered 2 of Wednesday's fall of 4, while Allnatt London improved 3 to 95p, and Hammerson "A" rallied 5 to 220p, after 223p. Lend Lease picked up 10 265p.

Overseas Traders were generally easier where changed. Jamaica Sugar, a good market recently on the bid talks with the National Sugar Company of Jamaica, gave up 3 at 22p. Harrisons and Crosfield lost 12 to 350p.

Late news that the Monopolies Commission has recommended that Eurocanadian Shipholdings should not be allowed to increase its shareholding in Furness Withy and Manchester Liners and should, if required, over a reasonable period of time reduce their holding to not more than 10 per cent. prompted jobbers to mark the shares of the two companies sharply lower; a penny or so firmer at the house close, Furness Withy were marked down to 129p, for a loss of 15 on the day, while Manchester Liners were called 200p nominal, 30 lower. On the other hand, Sheaf Steam came in for a fair amount of speculative support on hopes that Ben Line Steamers might come in with a firm offer; the shares touched 84p before closing 7 better on balance at 81p.

Investment Trusts were generally dull but International Pacific Securities ignored the trend, firming 6 to 120p on Far-Eastern advices. Standing easier at 38p, Atlantic Assets picked up to close a shade better on balance at 40p on the disclosure that the company has reduced its shareholding in Haw Par International to below 5 per cent.: Haw Par eased a penny to 31p, after 29p.

Textiles displayed no set trend after a small trade. Nervousness in front of the results which were expected "after-hours" left Slimma 2 off at 43p, after 42p, while Sekers International were friendless at 9p, down 1½. Sidlaw Industries, however, picked up 2 to 56p.

BAT's Industries were reasonably active and moved against the trend, the Ordinary and Deferred both firming 3 to 253p and 203p respectively in Tobaccos.

Rally in Australians

The sharp overnight rise in the Sydney and Melbourne markets coupled with the further gain in the investment currency premium prompted a rally in Australian mining shares here, although small profit-taking in later dealings pared earlier gains.

News of the official go-ahead for the Agnew nickel mine in Western Australia helped MIM Holdings to close 11 higher at 218p, after 220p and put Selcast 8 better at 88p. Selection Trust hardened 3 to 373p. Western Mining, which announced that it has reached an agreement in principle with Agnew to [illegible] 100,000 tonnes of Agnew [illegible] trate per annum com[illegible] 1979, put on 6 to [illegible] 187p.

Gold Mines of Kalg[illegible] unaltered at 20p follo[illegible] that offers are being [illegible] the share capital and th[illegible] adequate offer is obtai[illegible] company would be [illegible] Uraniums, Pancontin[illegible] to £11, while among firmer Coals, Oakbridge [illegible] 6 to 101p.

South African Golds [illegible] prior to yesterday [illegible] ground for four conse[illegible] ings days, rallied al[illegible] ness was minimal. [illegible] Mines index regained [illegible] while the bullion price [illegible] changed at $114.875 per [illegible]

Overseas-based Financ[illegible] fited from the firmer [illegible] but the London-based [illegible] barely changed. In Diamonds, De Beers [illegible] to 197p; the company is [illegible] duce a five-day working [illegible] all its mines in the K[illegible] area from November [illegible] tional on production be[illegible] tained.

Elsewhere, in front of [illegible] proved quarterly profits, [illegible] son were 20 up at 600p [illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section. Columns for Thursday, October 14, 1976: Index No.; Day's Change %; Est. Earnings Yield % (Max.) Corp. Tax 52%; Gross Div. Yield % (ACT at 35%); Est. P/E Ratio (net) Corp. Tax 52%; Est. P/E Ratio (nil) Corp. Tax 52%.

	Equity Groups	Index No.	Day's Change %	Est. Earnings Yield %	Gross Div. Yield %	Est. P/E (net)	Est. P/E (nil)	Wed. Oct. 13	Tues. Oct. 12	Mon. Oct. 11	Friday Oct. 8	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	108.07	−0.5	24.22	8.62	6.11	6.14	108.59	108.98	108.85	109.28	127.96	160.06 (21/4)	108.07 (14/10)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	94.95	−0.8	23.91	10.09	6.30	6.30	95.72	95.96	95.52	95.70	125.84	160.18 (15/1)	94.95 (14/10)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	136.55	−2.9	30.59	8.15	4.98	4.98	140.65	140.40	137.49	140.86	238.50	260.20 (15/1)	136.55 (14/10)	389.33 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	204.30	+0.9	21.65	5.50	6.70	6.89	202.55	202.89	202.66	205.82	222.74	287.30 (21/4)	202.55 (13/10)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	130.49	−0.3	35.29	9.54	4.15	4.09	130.84	131.91	130.45	131.76	151.85	193.18 (3/5)	130.45 (11/10)	202.57 (6/6/73)	64.39 (2/1/75)
6	Engineering (General (64)	100.81	−0.7	24.37	9.10	6.07	6.06	101.50	102.18	101.67	102.30	109.79	149.29 (3/5)	100.81 (14/10)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	47.04	−0.4	19.15	9.44	7.46	7.44	47.22	45.90	45.29	45.72	43.61	60.62 (3/5)	45.29 (11/10)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (24)	95.56	−0.8	21.94	9.39	6.71	6.64	96.28	96.79	98.27	98.56	107.30	141.94 (11/6)	95.56 (14/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	88.10	−0.5	26.22	7.93	5.72	5.71	88.55	87.96	86.75	87.45	103.00	141.46 (21/4)	86.75 (11/10)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	93.19	−0.8	25.74	6.26	5.73	5.71	93.94	93.02	92.20	93.01	120.00	160.35 (7/4)	92.20 (11/10)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (13)	114.12	−0.7	25.81	10.47	5.91	5.88	114.96	114.84	114.18	116.22	153.90	187.22 (7/4)	114.12 (14/12)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	58.48	—	27.00	9.35	5.66	5.66	58.49	58.24	56.89	57.10	55.39	85.16 (3/6)	56.89 (11/10)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (169)	111.49	−0.3	20.11	8.66	7.52	7.45	111.79	111.91	110.58	110.93	141.67	162.24 (4/2)	110.58 (11/10)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	121.51	−2.2	19.49	9.38	7.69	7.69	124.22	126.36	124.90	124.21	163.69	179.43 (2/2)	121.51 (14/12)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	136.01	−1.1	17.39	8.06	8.83	8.83	137.47	134.66	132.21	131.59	146.44	190.67 (6/5)	131.59 (2/10)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (14)	129.84	−0.6	20.54	10.32	7.53	7.46	130.67	130.92	127.64	127.15	164.09	122.26 (6/3)	127.15 (8/10)	329.99 (12/12/72)	54.85 (9/1/75)
17	Food Manufacturing (23)	125.92	+0.3	22.49	7.26	6.75	6.71	125.51	125.05	125.10	125.88	152.80	179.44 (11/5)	125.05 (12/10)	211.65 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (16)	98.92	−1.8	18.85	7.91	7.76	7.76	100.69	99.53	98.32	98.11	146.08	150.05 (12/1)	98.11 (2/10)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	156.18	+2.4	16.03	6.81	9.45	9.45	152.49	148.45	148.54	149.06	139.24	184.34 (11/5)	148.46 (12/10)	260.29 (18/1/73)	65.08 (6/1/75)
20	Packaging and Paper (12)	79.22	−0.3	19.40	9.96	7.91	7.91	79.43	79.71	79.08	79.57	95.09	112.50 (25/2)	79.08 (11/10)	135.69 (25/4/72)	43.46 (6/1/75)
21	Stores (34)	83.12	−0.6	18.57	8.44	8.38	8.57	83.69	84.75	83.97	85.12	121.75	136.24 (2/2)	83.12 (14/10)	204.39 (16/8/72)	52.65 (6/1/75)
22	Textiles (23)	110.51	+0.8	16.98	10.44	8.92	7.92	109.62	110.71	108.89	110.38	148.75	183.24 (30/1)	108.89 (11/10)	235.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	186.82	+0.7	23.45	9.24	6.34	6.34	185.44	183.95	179.40	177.91	199.47	241.89 (5/5)	177.91 (8/10)	339.16 (2/5/72)	94.34 (13/6/62)
24	Toys and Games (6)	61.89	+1.2	26.10	10.21	5.12	5.10	61.14	60.41	60.32	61.66	60.41	80.95 (16/7)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	164.15	+0.8	19.27	7.02	7.10	7.10	162.81	162.93	161.87	163.54	178.99	231.38	161.87	231.38 (3/5/76)	71.20
26	Office Equipment (9)	64.38	−0.2	18.69	8.18	7.82	7.82	64.51	65.25	66.89	66.06	83.07	100.18	64.38	246.06 (1/9/72)	45.54
27	Shipping (12)	313.56	−0.6	15.74	8.38	9.05	8.18	316.31	318.65	315.16	315.30	372.55	432.64	313.56	517.00 (5/12/72)	90.80
28	Miscellaneous (48)	117.71	−0.4	19.78	9.99	7.60	7.59	118.13	117.36	116.38	116.63	146.88	172.98	116.38	258.85 (3/5/72)	60.39
29	INDUSTRIAL GROUP (496)	114.52	−0.2	21.11	8.44	7.00	6.96	114.72	114.83	113.87	114.42	139.10	165.38	113.87	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	334.12	+0.6	12.75	5.24	9.09	8.36	332.00	321.75	315.67	323.42	327.24	395.84	315.67	431.66 (29/5/69)	87.23
31	500 SHARE INDEX	132.10	—	19.54	7.84	7.31	7.19	132.13	131.47	130.12	131.21	154.65	185.00	130.12	227.95 (16/5/72)	63.49
32	FINANCIAL GROUP (100)	93.47	−1.0	—	8.53	—	—	94.43	94.84	93.14	94.07	135.87	153.46	93.14	241.41 (11/4/72)	55.66
33	Banks (6)	120.51	−1.7	28.08	7.64	5.48	5.48	122.37	124.07	120.05	122.44	164.40	192.16	120.05	288.32 (15/7/72)	62.44
34	Discount Houses (10)	112.53	−0.5	—	12.38	—	—	113.11	112.95	111.00	109.48	156.38	186.52	109.48	293.15	81.40
35	Hire Purchase (5)	57.53	−0.7	12.58	11.40	17.70	17.70	57.91	58.78	56.76	57.68	96.01	132.10	56.76	433.74	36.85
36	Insurance (Life) (10)	79.11	+0.5	—	9.56	—	—	78.70	78.67	77.80	78.23	119.21	123.46	77.80	194.46	44.88
37	Insurance (Composite) (7)	74.96	−1.1	—	9.86	—	—	75.82	75.91	75.22	75.05	111.32	119.75	74.96	155.76	43.96
38	Insurance Brokers (9)	182.52	−1.3	15.34	7.58	9.76	9.76	184.99	186.02	185.46	191.74	213.06	276.90	182.52	276.90	65.86
39	Merchant Banks (15)	46.64	−1.6	—	11.93	—	—	47.42	47.41	47.22	47.16	88.45	93.83	46.64	278.57	31.21
40	Property (32)	104.16	−0.1	5.78	5.26	31.39	29.68	104.29	103.57	101.12	102.12	151.96	194.57	101.12	357.40	56.01
41	Miscellaneous (6)	57.95	−1.7	23.65	14.37	6.38	6.38	58.97	58.64	61.64	60.49	70.37	91.99	57.95	303.18	33.29
42	Investment Trusts (50)	121.03	−1.1	4.43	6.27	23.36	23.36	122.40	123.22	124.54	127.68	164.08	184.55	121.03	246.79	71.65
43	ALL-SHARE INDEX (650)	122.46	−0.2	—	7.87	—	—	122.76	122.41	121.14	122.29	150.22	172.64	121.14	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	476.24	−1.8	9.89	6.89	14.69	13.61	485.04	467.02	463.17	470.82	365.13	525.40	404.67	555.37	84.68
45	Teas (8)	127.47	—	31.96	9.51	4.16	4.06	127.47	127.47	127.32	127.52	105.07	142.45	117.89	142.45 (6/7/76)	59.72
46	Coppers (3)	165.82	−1.0	39.07	6.75	2.56	2.56	167.55	162.49	180.01	189.81	286.61	301.47	162.49	567.78	94.03
47	Mining Finance (11)	79.37	+2.3	13.14	6.31	8.56	8.60	77.61	78.56	80.02	83.23	111.10	119.77	77.61	175.90	66.51
48	Tins (7)	122.21	−2.1	11.56	7.91	13.31	13.21	124.88	120.12	123.44	121.52	85.56	126.36	66.09	126.36 (7/10/76)	54.85
49	Overseas Traders (13)	182.88	−0.6	16.68	7.48	7.26	7.24	184.00	183.62	183.89	186.61	209.37	254.47	183.62	254.47	97.57

	FIXED INTEREST	Thurs. Oct. 14 Index No.	Thurs. Oct. 14 Yield %	Wed. Oct. 13	Tuesday Oct. 12	Monday Oct. 11	Friday Oct. 8	Thurs. Oct. 7	Wed. Oct. 6	Tuesday Oct. 5	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.57	15.56	15.55	15.55	15.53	15.40	15.05	14.95	14.77	—	—	—	—
2	20-yr. Govt. Stocks (6)	42.84	15.05	42.86	42.87	42.69	42.90	43.38	44.69	45.07	47.73	55.45	42.69	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	43.92	16.70	44.01	44.01	44.06	43.81	44.49	46.37	46.61	46.96	52.40	43.92	113.45	37.01
4	Investment Trust Prefs. (15)	41.39	16.71	41.39	41.39	41.54	40.54	41.25	44.09	44.55	45.46	51.25	40.54	114.41	34.45
5	Coml. and Indl. Prefs. (20)	56.44	17.27	56.28	55.13	55.01	54.89	55.84	60.01	60.85	62.15	71.97	54.89	114.95	47.67

Section or Group / Base Date / Base Value: [illegible]

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BP	£1	13	613	+10	685	557
Barclays Bank	£1	11	210	−5	350	208
ICI	£1	11	278	−1	402	274
BATS Defd.	25p	10	203	+3	225	183
Boots	25p	9	84	−2	148	83
Marks & Spencer	25p	9	73	−2	108	73
Natl. Westminster	£1	8	183	−4	272	180
Shell Transport	25p	8	364	−2	462	352
Beecham	25p	7	291	−1	330	284
Reckitt & Colman	50p	7	285	−8	363	285
Distillers	50p	7	105½	−2	158	105½
GEC	25p	7	119	−1	168	114
Grand Met.	50p	7	45	—	55	44
Hawker Siddeley	25p	7	338	−4	480	334
Lonrho 'New'	Nil/pd.	7	27	—	27	22

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1)(e). * Premium.

Option Report—3-month Call Rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Oct. 12	Oct. 25	Jan. 13	Jan. 24
Oct. 26	Nov. 8	Jan. 27	Feb. 8
Nov. 9	Nov. 22	Feb. 10	Feb. 22

Calls were dealt in Swan Hunter, ICI, Barclays Bank, Marks and Spencer, Pleasurama, Cavenham Warrants, English Property, Lonrho, Morgan Grampian, Berry Wiggins, Peachey Property, MEPC, National Westminster Bank Warrants, Regional "A" and House of Fraser. Puts were done in BP, Dunlop and Glaxo, while doubles were arranged in Pleasurama, GEC, BP, Burmah Oil, British Land, ICI, E & O, Lloyds Bank, Lonrho, Dunlop, Glaxo, Hawker Siddeley and British Home Stores.

[illegible]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (2)

BEERS (1) Tollemache

RUBBERS (1) London Asiatic

NEW LOWS (289)

BRITISH FUNDS (4), CORPORATION LOANS (1), LOANS (MISCELLANEOUS) (1), BANKS (4), BEERS (4), BUILDINGS (24), CHEMICALS (3), CINEMAS (1), DRAPERY AND STORES (16), ELECTRICALS (8), ENGINEERING (25), FOODS (5), INDUSTRIALS (24), INSURANCE (5), MOTORS (5), NEWSPAPERS (2), PAPER PRINTING (2), PROPERTY (8), SHIPPING (4), SHOES (1), TEXTILES (3), TRUSTS (11), OILS (2), OVERSEAS TRADERS (3), MINES (3)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	1	4	36
Mines	63	12	60
Recent Issues	10	7	16
Totals	420	611	1,167

MONEY MARKET

Extremely large assistance

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976)

Day-to-day credit was in short supply in the London money market yesterday and the authorities gave an extremely large amount of assistance by buying an extremely large number of Treasury bills and local authority bills from the discount houses and banks, and by lending a small amount overnight, at Bank of England Minimum Lending Rates, to three or four houses. Banks carried forward small surplus balances from Wednesday and a fall in the note circulation was also in the market's favour. These were outweighed however by a small net take-up of Treasury bills, settlement of previous sales of gilt-edged stock by the authorities, and applications for new issues.

Discount houses paid 14½-15 per cent. for secured call loans in the early part, but closing balances were taken at 12½-13½ per cent.

In the interbank market overnight loans commanded 14½-15 per cent. for most of the day, but eased to 13 per cent. in the afternoon, before rising at the close to 15 per cent.

Short-term fixed-period interest rates were generally firmer. The three-month sterling certificate yield increased to 14¾-14⅞ per cent. from 14[illegible]-14½ per cent.

Rates in the table below are nominal in some cases.

Oct. 14 1976	Sterling Certificates of deposit	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	13-15	—	—	—	—	12½-13	—	—	—
2 days notice	—	—	14¾-14⅞	—	—	—	—	—	—	—
7 days or 7 days notice	—	14[illegible]-15	14[illegible]-14⅞	—	14⅝-15¼	—	14¼-14[illegible]	—	—	—
One month	[illegible]	[illegible]	14⅞	15½-14½	14¾-15¼	—	14¼	[illegible]	[illegible]	15-15[illegible]
Two months	[illegible]	[illegible]	—	15½-14½	14¾-15¼	—	13¾-14	[illegible]	[illegible]	15-14[illegible]
Three months	[illegible]	[illegible]	14[illegible]-14¾	15½-14½	14⅞-15¼	—	13¾-14	[illegible]	[illegible]	15-14[illegible]
Six months	[illegible]	[illegible]	14[illegible]-14¾	14¾-14	14½-15	—	—	—	14-13⅞	15-14[illegible]
Nine months	[illegible]	[illegible]	—	14¼-14	14½-15	—	—	—	—	—
One year	[illegible]	[illegible]	14½-14[illegible]	14¼-14	14½-15	—	—	—	—	—
Two years	—	—	14½-14¾	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authorities mortgage rates nominally three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent.; four-month trade bills [illegible] per cent. Approximate selling rate for one-month Treasury bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent. Approximate selling rate one-month bank bills [illegible] per cent.; [illegible]

Finance House Base Rates (published by the Finance Houses Association) [illegible] Treasury Bills: Average tender rates of discount 14.3507 per cent.

FINANCIAL TIMES STOCK INDICES

	Oct. 14	Oct. 13	Oct. 12	Oct. 11	Oct. 8	Oct. 7
Government Secs.	56.72	56.77	56.82	56.75	56.77	[illegible]
Fixed Interest	56.65	56.58	56.47	56.71	56.88	[illegible]
Industrial Ordinary	289.0	291.9	293.6	296.1	298.7	[illegible]
Gold Mines	107.6	105.0	108.6	110.3	118.2	[illegible]
Ord. Div. Yield	7.74	7.67	7.65	7.61	7.65	[illegible]
Earnings Y'ld % (full)	23.36	23.17	23.11	23.80	22.67	[illegible]
P/E Ratio (net) (*)	5.82	5.88	5.89	5.86	5.91	[illegible]
Dealings marked	4,664	5,618	4,815	5,620	6,279	[illegible]
Equity turnover £m.	—	45.58	45.88	[illegible]	[illegible]	[illegible]
Equity bargains total	—	11,636	12,149	13,345	14,926	[illegible]

[illegible] Latest Index 01-246 8026. (a) Based on 52 per cent. corporation tax. (b) Nil=[illegible] Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. [illegible] Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1)	56.72 (14/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	55.28 (8/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	286.1 (11/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	42.5 (26/10/71)

S.E. ACTIVITY

Daily— Gilt-Edged	180.4
Industrials	148.7
Speculative	37.5
Totals	108.2
5-day Av'ge— Gilt-Edged	211.3
Industrials	170.7
Speculative	39.8
Totals	128.9

Green light — Skye dialler

BRITAIN'S LAST manu[illegible] phone exchange at Port[illegible] the Isle of Skye, rang [illegible] good yesterday.

Post Office engineers [illegible] in a new automatic syste[illegible] enables the islanders [illegible] their own calls.

Supervisor Miss [illegible] MacLeod and her 39 staff [illegible] made redundant, except [illegible] girl who will transfer to [illegible] on the mainland.

The first manual exch[illegible] Portree opened in 1926.

BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Capitol C & C Fin. Ltd.
Cayzer Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duncan Lawrie
Eagil Trust
English Transcont.
First London Secs.
■ Antony Gibbs
Goode Durrant Trust
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Northern Comm. Trust
Norwich General Trust
P. S. Refson & Co.
Rossminster Accept'cs.
Royal Bk. Canada Trust
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.

[illegible]

CORAL INDEX

Close 284-291

INSURANCE BA[illegible] RATES

[illegible]

AUTHORISED UNIT TRUSTS

Regional Markets

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

						IRISH		
...ty Inv. 20p	25	......	Higsons Brew.	65	......	Conv. 9% '80/82	£77¼	......
...s Spinning	34	......	I.O.M. Stm. £1	130	......	Alliance Gas	51	......
...tam	21	......	Holt (Jos.) 25p	180	......	Arnott	235	......
...Petr. Est. 50p	120	......	Kleen-e-Ze	28	......	Carroll (P.J.)	102	......
...ter Croft	21	......	Lovell's Ship £1	135	......	Clondalkin	35	......
...g & Rose £1	350	......	N'hn. Goldsmith	23	−1	Concrete Prods.	40	......
...son (R.A.)	16	......	P.M.A.	23	−1	Heiton (Hldgs.)	24	......
...n & McHdy.	64	......	Pearce (C. H.)	85	......	Ind. News	32	......
...ns Fr'k. 10p.	22	......	Peel Mills	11	−1	Ins. Corp.	154	......
...ured	9	......	RobbCaledonih.	46	......	Irish Distillers	36	......
...e Forge	54	......	Sayers 12½p	15	......	Irish Ropes	88	......
...day Pkg. 5p	16	......	Sheffield Brick	75	......	Jacob	46	......
...ig Ship. £1	320	......	Sheff. Refrshmt.	138	......	Sunbeam	12	......
...ms Sleigh 10p	6	......	Shiloh Spinn.	21	......	T.M.G.	70	......
			Sindall (Wm.)	49	......	Unidare	48	......

FOOD PRICE MOVEMENTS

	Oct. 14 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	1,025	1,025	960
British A.1 per ton†	965	965	935
Irish Special per ton†	965	965	920
Ulster A.1 per ton‡	960	960	920
BUTTER (packet)			
NZ per 20 lbs†	9.24-9.39	9.24-9.39	9.24-9.39
English per cwt†	57.12	57.12	56.0
Danish salted per cwt†	58.40-60.48	58.18-58.93	56.40-58.93
CHEESE¶			
English cheddar rindless per tonne	990.11	990.11	950.79
NZ per tonne	896.50	896.50	896.50
EGGS*			
Home-prod. Standard	3.05-3.20	3.20-3.30	3.40-3.70
Large	3.20-3.50	3.50-3.70	3.90-4.10

	Oct. 14 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scottish killed sides (ex KKCF)	48.0—52.0	48.0—49.5	45.0—48.0
Eire forequarters	40.0—41.5	38.0—39.0	36.0—37.0
LAMB			
English	46.0—49.0	46.0—47.0	40.0—43.0
NZ PLs-PMs	43.0—46.0	42.5—45.0	38.0—43.5
PORK (all weights)	30.0—39.0	28.0—38.5	29.0—37.0
MUTTON			
English ewes	—	—	—
POULTRY			
Broiler chickens	29.0—32.0	29.0—34.4	29.5—32.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ For delivery October 16-23.

EDUCATIONAL

EAST DAGGAFONTEIN MINES LIMITED

(Incorporated in the Republic of South Africa)

CESSATION OF MINING OPERATIONS

On 11th June it was announced in the press that, unless there was a considerable improvement in the gold price, underground operations would be terminated on 31st December 1976. As the company is continuing to incur losses, it has now been decided that it would be in the best interests of shareholders to stop underground mining operations as soon as practicable. Furthermore, investigations into the possibility of continuing to treat only the surface waste rock dump have revealed that this would not be economic. Accordingly, all operations at the mine, other than clean-up, will cease in mid-November 1976.

Statutory notice of closure has been submitted to the Government Authorities.

(Copies of this announcement are being sent to all registered shareholders.)

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

Registered Office:
44, Main Street,
Johannesburg, 2001.

Postal Address:
P.O. Box 61587,
Marshalltown, 2107.

Johannesburg
14th October, 1976.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

United States Tst. Intl. Adv. Co.,
14, Rue Aldringer, Luxembourg.
U.S. Tst. Inv. Fnd ... | $US11.55 | +0.11 | 0.85
Net asset value Oct. 14.

S. G. Warburg & Co. Ltd.
30, Gresham Street, EC2. 01-600 4555
Cnv. Bd. Oct. 13 ... | $US8.71 | −0.02 | —
Eng. Int. Oct. 13 ... | $US13.14 | +0.18 | —
Gr. St. $Fd. Sept. 30 | $US7.12 | ... | —

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI. 0534 29041
CMF Ltd. Sept. 30 | $US9.37 | 9.62 | ...... | —
CMT Ltd. Sept. 30 | £9.78 | 10.04 | ...... | —
Metals Tst. Sept. 16 | £12.56 | 12.87 | ...... | —
TMT Sept. 9 | $US10.80 | 11.00 | ...... | —
TMT Ltd. Sept. 9 | £10.86 | 11.15 | ...... | —

World Wide Growth Management◆
10a, Boulevard Royal, Luxembourg.
WorldWideGth.Fd. | $US11.30 | +0.08 | —

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶Net of tax on realised capital gains unless indicated by ◆. §Guernsey yield. ‡Suspended. ★Single premium insurance bonds. ◆Yield before Jersey tax.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
101⅜	99⅛	Treasury 10½pc 1976‡‡	99⅜	+⅛	10.58	14.31
98⅜	95⅜	Treasury 5¾pc 1977‡‡	97⅛	.....	6.44	13.98
97¾	94½	Electric 3pc '74-77	96¾	.....	3.10	11.22
103⅜	97⅝	Treasury 11½pc '77‡‡	97¾	.....	11.79	14.88
95⅛	91⅞	Treasury 3pc '77‡‡	93¼xd	−⅛	3.21	9.47
95⅝	92¼	Transport 4pc '72-77	93½	−⅛	4.28	9.93
99⅜	90½	Treasury 9pc 1978‡‡	93⅜	−⅛	9.59	13.96
101½	94½	Treasury 10½pc '78‡‡	94½	−⅛	11.11	14.09
93¾	89⅝	Exchequer 5pc '76-78‡‡	90⅜	−⅛	5.50	10.24
103⅜	93⅛	Treasury 11½pc '79‡‡	93⅜	−¼	12.31	14.84
98¼	93⅛	Treas. 11¾pc '79 A‡‡	93⅛	−⅛	12.32	14.87
88⅞	82⅞	Treasury 3pc '79‡‡	82⅞	−¼	3.62	9.88
89⅝	73⅝	Electric 4¼pc '74-79	83⅛	−⅛	5.11	11.12
100⅜	89⅜	Treasury 10½pc '79‡‡	89⅜xd	−¼	11.72	14.91
89¼	82¼	Electric 3½pc '76-79	82¾xd	.....	4.23	10.17
96⅜	85⅝	Treasury 9pc 1980‡‡	85⅝	−⅛	10.51	14.51
96½	85⅜	Treasury 9½pc '80‡‡	85⅜xd	−½	11.10	14.89
86	78⅞	Treasury 3½pc '77-80	78⅞	−⅛	4.44	10.59
89½	71	Funding 5¼pc '78-80‡‡	80⅞	−⅛	6.40	11.79
103⅜	89⅝	Treasury 11½pc 1981‡‡	89⅝	−⅛	12.83	14.82
86	78⅛	Treasury 3½pc 1979-81	78⅛	−¼	4.48	9.80
95⅝	83⅜	Treasury 9¾pc 1981‡‡	83⅝	−⅛	11.66	14.90
		Five to Fifteen Years				
94⅛	80¾	Treasury 8¼pc '80-82‡‡	80¾	.....	10.81	14.41
—	—	Treas. 3pc '82‡‡	£70	.....	4.29	10.47
107¾	89¾	Treasury 12pc 1983‡‡	89¾	.....	13.51	14.75
81⅛	69⅞	Funding 5½pc '82-84‡‡	70	.....	8.02	12.11
87⅝	75⅛	Treasury 8½pc '84-86‡‡	75¼	.....	11.64	13.57
74⅞	60⅛	Funding 6½pc '85-87‡‡	60½	.....	10.69	13.62
77⅝	65½	Treasury 7¾pc '85-88‡‡	65½	.....	12.15	14.29
51¼	44½	Transport 3pc '78-88	44¾	.....	6.84	12.07
59¾	48¼	Treasury 5pc '86-89	48½xd	.....	10.31	13.51
103¾	87⅞	Treasury 13pc 1990‡‡	88¼	.....	15.30	15.69
75⅞	64⅛	Treasury 8¼ '87-90‡‡	64½	.....	13.36	14.85
60	47⅞	Funding 5¾pc '87-91‡‡	48⅛	.....	11.89	14.40
		Over Fifteen Years				
100½	84¼	Treasury 12¼pc '92‡‡	84¾	.....	15.59	15.93
98½	82¼	Treasury 12½pc '93‡‡	82⅝	.....	15.71	16.02
58	45½	Funding 6pc 1993‡‡	45¾	.....	13.26	14.97
75⅝	59⅝	Treasury 9pc '94‡‡	59⅞xd	.....	14.83	15.57
97⅛	91½	Treasury 14½pc '94‡‡	91⅞	.....	15.93	16.03
36½	28⅞	Gas 3pc '90-95	29xd	.....	10.29	13.50
100	79¼	Treasury 12¾pc '95‡‡	79½xd	.....	15.82	16.05
75⅞	59⅞	Treasury 9pc '92-96‡‡	60⅛	.....	15.15	15.76
95¾	81⅝	Exchequer 13¼pc '96‡‡	82xd	.....	15.94	16.13
35½	28⅜	Redemption 3pc 1986-96	28½	.....	10.57	15.33
102½	85⅝	Treasury 13¼pc '97‡‡	85¾	.....	16.03	16.14
70⅛	58	Treasury 8¾pc 1997‡‡	58¼	.....	15.50	15.80
57⅝	45	Treasury 6¾pc '95-98‡‡	45¼xd	.....	14.81	15.59
—	—	Treas. 15½pc '98‡‡	£96	.....	16.15	16.16
76	63¼	Treasury 9½pc 1999‡‡	63½	.....	15.55	15.86
31½	25⅝	Funding 3½pc '99-04	25¾	.....	14.07	14.91
65	51	Treasury 8pc '02-06‡‡	51¼	.....	15.68	15.83
46⅛	35¾	Treasury 5½pc '08-12‡‡	36	.....	15.50	15.62
60⅞	50⅜	Treasury 7¾pc '12-15‡‡	50⅝	.....	15.85	15.86
		Undated				
30⅜	25½	Consols 4pc	25⅝	.....	16.12	—
27⅞	23⅞	War Loan 3½pc‡‡	24⅛	.....	15.34	—
28⅝	23⅜	Conv. 3½pc '61 Aft.	23½	.....	14.98	—
23¼	18¾	Treasury 3pc '66 Aft.	18⅝	.....	16.07	—
19⅝	16⅛	Consols 2½pc	16⅛xd	.....	15.57	—
19½	15½	Treasury 2½pc	15½	.....	16.23	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Yield Red.
75	68½	5pc Stock '77-82	71½	.....	7.07	12.13

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Yield Red.
89¾	79½	Birm'ham 9¾pc '79-81	79½	.....	11.71	15.41
98	87½	Bristol 6½pc '75-77	97½	.....	6.67	14.74
95	89½	Essex 5½pc '73-77	93⅞	.....	5.86	14.86
96	92⅝	G.L.C. 7¼pc 1977	94⅜	+⅛	7.68	14.56
102½	93	Do. 12½pc '82	95	.....	14.13	15.67
78¼	74	Herts. 5½pc '78-80	74¼	.....	7.07	14.68
95½	91⅞	Liverpool 7pc '75-77	93¼	.....	7.50	15.08
83	78	Do. 9¾pc '80-84	73½	.....	13.86	15.55
26	20¾	Do. 3½pc Irred.	21	.....	17.06	—
90	86½	Lon. Corp 6½pc '75-78	86¾	.....	7.49	15.04
83	72	Do. 9¼pc '84-85	72	.....	12.71	14.84
92	87⅞	L.C.C. 6pc '75-78	89¼	.....	6.73	15.22
75½	64¼	Do 5½pc '77-81	69¼	−¼	7.94	14.42
67½	58	Do 5½pc '82-84	59½	.....	9.45	14.69
59	49	Do 5½pc '85-87	50½	.....	11.29	15.46
60½	50	Do 6¾pc '88-90	51	.....	13.66	15.27
22½	18½	Do 3pc '20 Aft.	19	+¼	16.38	—
93¼	90	Middx. 6¼pc '75-77	91	.....	6.87	15.13
79½	74½	Do 5¼pc 1980	74½	.....	7.05	15.02
90½	82	Newcastle 9¼pc '78-80	82	.....	11.27	15.54
101½	92¼	Warwick 12½% 1980	92¾	−¼	13.46	14.83

COMMONWEALTH & AFRICAN LOANS

1976 High	Low	Stock	£	+ or −	Yield Int.	Yield Red.
91	84	**Aust. 5½pc '75-78	84	.....	6.57	15.26
82¼	77¼	**Do. 5½pc '77-80	77½	.....	7.25	15.17
74¼	64½	**Do. 5½pc '81-82	65¼	.....	13.46	14.83
86½	80¼	**N.Z. 4pc 1976-78	83¼	+¼	4.29	13.95
83⅝	77½	**Do. 6pc '76-80	78	.....	7.76	14.74
74	63	**Do. 7½pc '83-86	63½	.....	12.23	15.28
65	22	Sth. Rhod. 2½pc '65-70	45	−3	—	—
62	34	Do. 6pc '78-81	54	−2	—	—

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S.$ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 39½% (based on US$1.6400 per £)

Conversion factor 0.7173 (0.7103)

CANADIANS

1976 High	Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
14¾	10⅜	Bk. Montreal $2	13⅞	+¼	$1.00	—	4.3
40½	29⅜	Bk. Nova Scot. $2	36¼	+⅜	$1.72	—	2.7
46¾	33¼	Bell Canada 25c	43½	+¾	$3.72	—	4.9
23⅝	12	Bow Valley‖	16⅝	+1	10c	—	0.3
10	780p	Brascan‖	900p	+10	s$1.00	—	6.3
29⅜	19⅜	Can. Imp. Bk. $2	22½	+1½	$1.28	—	3.3
16⅞	10⅜	Can. Pacific $5	14⅞	+½	84½c	—	3.2
29⅝	25¾	Do. 4pc Deb. £100	26	.....	4%	—	15.4
37⅞	20¾	Gulf Oil Can.‖	21	.....	$1.00	—	2.7
670p	430p	Hawker Sid. Can.‖	430p	.....	36c	—	4.8
33	22	Hollinger $5	27½	.....	$1.30	—	3.7
18	12⅜	Hudson's Bay ‖	14⅜xd	+⅜	60c	—	2.4
34⅜	26⅜	Hud. B Oil G. $2½	28½	+1	$1.60	—	3.2
22¼	16½	Imperial Oil‖	17½	+⅛	26.8	—	2.6
31½	19½	Inco	27¼	+1½	$1.40	—	2.9
900p	660p	Int. Nat. Gas $1	840p	+20	80c	—	5.4
25½	16	Massey Ferg.‖	19⅜	+⅝	$1.00	—	2.9
27⅝	20¼	Pacific Pet. $1	22	+¼	80c	—	2.1
58½p	24p	Place Gas $1	27p	.....	—	—	—
30¼	22⅞	Rio Algom	27¼	+¼	$1.00	—	2.1
27¼	20⅜	Royal Bk. Can. $2	24⅛	+⅜	$1.38	—	3.3
28⅜	17⅜	Seagram Co. C$1	21⅜	+⅜	80c	—	2.1
18⅜	13⅜	Tor. Dom. Bk. $1	16⅞	+½	70c	—	2.4
11⅞	830p	Trans. Can. Pipe 33½c	11	+⅛	88c	—	0.0

S.E. List Premium 39½% (based on $1.5856 per £)

BANKS AND HIRE PURCHASE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
390	251	ANZ $A1	355	+15	tQ14.9	—	2.7	—
250	140	Alexanders D. £1	140	.....	11.67	—	12.8	—
£110	£80	Algemene Fl. 100	£91	+1	tQ21%	2.6	4.9	9.4
490	270	Allen Harvey £1	270	−10	25.0	—	14.2	—
128	76	Allied Irish	78	.....	Q6.89	—	8.8	—
65	38	Anglo Contal	65	.....	♦—	—	—	26.2

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
710	250	Blyvoor 25	335	+15	Q75c	1.6	14.5
£14	440	Buffels R1	580	+10	Q125c	1.6	13.9
198	70	Deelkraal R0.20	92	–1	—	—	—
760	125	Doornfontein R1	220	.....	Q55c	2.2	16.2
965	330	East Drie R1	475	+10	Q75c	1.7	10.2
280	122	Elandsrand Gld. 20c	155	.....	—	—	—
190	44	Elsburg R1	74	+2	†Q33.6c	1.0	‡
£16½	520	Hartebeest R1	762	+12	Q190c	ϕ	18.3
695	260	Kloof Gold R1	340	+10	Q47c	1.5	8.9
760	140	Libanon R1	260	.....	Q80c	2.0	19.9
740	230	Southvaal 50c	315	–5	Q5c	1.3	1.6
245	92	Stilfontein 50c	133	–3	‡Q36c	2.2	‡
£20¾	700	Vaal Reefs 50c	875	+25	‡Q175c	2.1	‡
420	48	Venterspost R1	144	+1	Q25c	3.6	11.2
£35	£11¼	W. Drie R1	£16	+¼	Q335c	1.5	13.6
315	68	Western Areas R1	118	+2	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	640	+10	[illegible]	0.6	‡
290	100	Zandpan R1	134	+2	Q31½c	1.0	15.1

O.F.S.

1976 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
170	60	Free State Dev. 50c	70	.....	Q9c	0.6	8.3
£22½	715	F.S.Geduld 50c	950	+25	Q200c	ϕ	1.4
200	50	F.S. Saaiplaas R1	90	+4	26c	2.6	4.3
465	170	Harmony 50c	215	+15	‡Q65c	1.9	‡
195	38	Loraine R1	74	+2	Q6c	0.5	5.2
£18½	675	Pres. Brand 50c	775	+25	Q170c	ϕ	1.4
£13	395	Pres. Steyn 50c	475	+5	Q45c	ϕ	6.1
£23⅛	750	St. Helena R1	975	+25	Q170c	ϕ	11.3
174	70	Unisel	94	+4	—	—	—
330	130	Welkom 50c	130	.....	Q15c	ϕ	‡
£25½	950	W.Holdings 50c	£12½	+⅜	Q310c	ϕ	0.2

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
10	8	Burma Mines 17½p	8½	.....	0.1	ϕ	2.0
35½	15½	Charterhall 5p	17½	–½	—	—	—
990	580	Cons. Murch. 10c	600	+20	†Q80c	1.8	8.6
350	245	Northgate C$1	300	+5	—	—	—
239	140	R.T.Z.	145	.....	g5.96	2.1	6.5
112	70	Sabina Inds. C$1	70	–2	—	—	—
£15⅞	£10	Tara Expln. $1	£13⅝	+¼	—	—	—
45	32½	Tehidy Minerals 10p	40xd	.....	†h1.08	ϕ	4.2
145	84	Yukon Cons. C$1	121	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- •• Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ☆ Regional price.
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xcd ex capital distribution.

"Recent Issues" and "Rights" Page 27

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Friday October 15 1976

Hopes dim for Arab summit on Lebanon

BY MICHAEL TINGAY IN CAIRO AND RICHARD JOHNS IN LONDON

PROSPECTS FOR an Arab summit next Monday to end the war in Lebanon dimmed last night as the big Syrian offensive against the Palestinians and their Left-wing allies on two fronts intensified with unconfirmed reports of the air force going into action for the first time.

The intensity of the offensive indicates that the Syrian aim is to break decisively the fighting capacity of the alliance in advance of the Arab leaders' meeting, but the present campaign, which began on Wednesday, may itself ensure that no summit is held.

It was announced that President Hafez al Assad of Syria would not take part in the planned gathering, but would send Mr. Abdel Halim Khaddam, his Foreign Minister, instead. Subsequently, President Sadat was reported to have informed other Arab Governments that Egypt's delegation would therefore be headed by Mr. Mohammed Riad, Minister of State for Foreign Affairs.

Messages went to all other Arab League members except Jordan and Libya, with which Egypt is also hopelessly at odds, as well as Syria.

Damascus's determination to impose its own solution on the Lebanon was highlighted by a statement in the newspaper Al Baath, the official mouth-piece of the ruling party, which said that "the cause Syria bears is too great to be the subject of bargaining or blackmail."

In Cairo, where physical preparations for the summit were continuing, confusion on a diplomatic level was almost total. Arab diplomats and observers were asking themselves what function the Arab summit could serve if President Assad, his close ally King Hussein of Jordan and President Elias Sarkis of Lebanon did not attend.

The only realistic reply is that any attempt to hold a summit—if sufficient Heads of State could be persuaded to attend to justify the word — would underline the ineffectiveness of the Arab League and the level of disagreement throughout the Arab world not only on the Lebanon, but on a wide range of regional and bilateral issues.

As it is, the preliminary meeting of Foreign Ministers designed to prepare the groundwork for a full-scale summit — the first since the Rabat gathering in October 1974, which recognised the Palestinian Liberation Organisation as the sole representative of the Palestinian people—is set for this evening.

Opted out

As for the divisions among the Arab nations, Egypt, until last year an enemy of the PLO after the Sinai disengagement agreement with Israel, is now playing the role of Palestinian champion against the Syrians while Iraq, disapproving of any settlement with Israel, has recently sent troops into Palestinian-held areas of Lebanon.

Libya, enemy of Egypt, Sudan and the Arab monarchies, has opted out of collective Arab activities for the time being. President Boumedienne of Algeria, embroiled in his country's dispute with Morocco and Mauritania, has already stated that he would not come to the summit.

Saudi Arabia, together with Kuwait the largest giver of aid to the PLO, is generally agreed to be discreetly financing Syria's intervention in Lebanon and also the Right-wing Christians.

The resumption of fighting in Lebanon has brought to an abrupt end political contacts aimed at a settlement. It has also prevented a new initiative by Algeria, whose Ambassador in Beirut, Mr. Mohammed Yazid, yesterday announced that his country was attempting to arrange a meeting in Damascus between President Assad, President Sarkis and Mr. Yassir Arafat, chairman of the PLO, in advance of the summit.

According to reports in the Beirut Press, the Syrians had set October 17 as the deadline for completing their present military operation, just 24 hours before the convening of the Heads of States' gathering.

Palestinian resistance, Page 6

Pressure threat from miners on retirement claim

BY ROY ROGERS, LABOUR CORRESPONDENT

LEADERS OF Britain's miners are to have more talks with the National Coal Board after the board's rejection of their demands for the retirement age to be reduced to 55 by 1980 without loss of earnings.

The National Union of Mineworkers executive yesterday agreed to the Board's suggestion of a joint study group to consider what can be done towards satisfying the miners' demands. But it set a very tight schedule as it is obliged by decision of the union's annual conference, to ballot the members by the end of the year.

Mr. Joe Gormley, union president, gave warning after yesterday's meeting that there would be a "pretty bad climate" if they do not have an alternative scheme to put to the ballot.

"If there is no alternative scheme I can see a unanimous decision of the executive to recommend some form of pressure being used and we do not want that," he added.

July's conference demanded retirement at 60 from next January — without loss of earnings — and staged reductions to 55 by 1980. It also demanded a ballot on the desirability of industrial action if the January deadline was not met.

It is quite clear from the Board's reply that the deadline will not be met as the claim has been rejected for several reasons. It would breach the pay policy guidelines, cost an estimated £1,200m., and leave the industry drastically under manned.

But the Board is not unsympathetic to the miners' aspirations and has in fact already prepared proposals for an alternative scheme which might form the basis of a settlement.

Under the scheme, which has been put to the Government, miners would be offered voluntary early retirement with the age limit reduced to 62 on a phased basis. But the Board wants the scheme restricted to those with 25 years' service underground and does not envisage any earnings protection for those who volunteer to retire early.

The proposals would also be subject to pay policy and to Government financial assistance.

National officials of the union recently had secret discussions with the Prime Minister, who, according to Mr. Gormley, gave them "no joy." They now plan to raise their demands with the TUC economic committee, but can only expect re-affirmation of the view already expressed by TUC general secretary Mr. Len Murray, that any moves on early retirement this year would have to come out of the miners' 5 per cent. pay policy entitlement.

Lord Hailsham criticises 'elective dictatorship'

BY IAN HARGREAVES, INDUSTRIAL STAFF

A WRITTEN constitution, providing for two elected chambers at Westminster and assemblies *in the regions, was proposed last* night by Lord Hailsham, former Conservative Lord Chancellor.

The first of the two chambers, the Commons, would be elected as it is now, by single-member constituencies and would control fiance. The second chamber would be modelled on the Senate, elected by a form of proportional representation to represent whole regions.

In addition there would be provision for a Bill of Rights to safeguard individual liberties and all new spheres of influence would be defined by law and policed by the courts.

Lord Hailsham, who was delivering the Richard Dimbleby memorial lecture on BBC television, said such measures were necessary because a nation "supposedly dedicated to freedom under law has moved towards totalitarianism which can only be altered by a systematic and radical overhaul of our constitution."

This constitution would "limit the powers of Parliament and provide a means of enforcing *these limitations both by poli*tical and by legal means."

In a sweeping attack on the present condition of Parliament, Lord Hailsham said its powers had been drawn almost exclusively into the hands of a small knot of Ministers and their advisors. We had developed an "elective dictatorship."

He argued that traditional constraints on Cabinet power—backbenchers, the Opposition, the House of Lords and the courts —were no longer sufficiently effective.

The courts had power only to interpret Acts of Parliament. The House of Lords was still useful, but had less influence than the American senate, and perhaps even less than a well-argued newspaper article or piece of television.

Within the Commons, the Opposition had no power because of the efficiently whipped governing party caucus.

Promising Government backbenchers were quickly silenced by being drawn into the administration with the result that *parliamentary debate had be*come "a ritual dance." Ministers, backed by a Civil Service brief, had no difficulty in controlling the proceedings.

Lord Hailsham went on to attack the tendency for party manifestos to be adopted by the victors of a general election as rigid Government programmes. This was "wholly unconstitutional" and led to absurdity, irrelevance and impossibility.

He suggested a three-stage procedure for producing the new constitution, the final stage of which would involve a referendum. A referendum would also be necessary to sanction any changes in the constitution.

These ideas were, he continued, the result of observations of a long life at the end of which there had been "unmistakable marks of disruption and dissolution."

Lombard, Page 2 Lecture details, Page 11

Labour programme faces delays

BY PHILIP RAWSTORNE

THE GOVERNMENT'S prospects of completing its legislative programme by mid-November receded sharply last night.

Conservative peers, revolting against the heavy load of Government legislation during the remaining four weeks of the overspill period, warned that the opening of the new session of Parliament on November 17 would only be possible if some Bills were dropped.

Any delay in the start of the new session would seriously endanger the Government's chances of passing its devolution legislation next year.

Ministers dismissed the Conservative threat last night as "bluster." But leading Conservative peers were adamant about their refusal to sit "round the clock" to enable the Government to get its controversial bills. The Conservative majority in the Lords would be used to adjourn debates if the Government tried to force too many late night sittings, they indicated.

The Conservative resistance is likely to be concentrated mainly against the Aircraft and Shipbuilding Nationalisation Bill. Peers are currently challenging the measure as the Opposition in the Commons did earlier this year, on the grounds that it is "hybrid"—treating similar companies in different ways—and should be subjected to special *detailed examination.*

But this manoeuvre now seems certain to be abandoned in favour of a move to exclude the ship repairing companies from the Bill's provisions. If the Conservatives stood fast, as they insisted last night they would, on such an amendment, the Government would face inevitable delays. It would either have to accept the truncated Bill and deal with the ship repairer's separately later or invoke the Parliament Act and re-introduce the entire Bill, which the Lords would be unable to alter next session.

Before that happens, however, it seems likely that the British Transport Docks Board's private Bill to take over Felixstow Docks will be a casualty of the Lords' revolt.

Conservatives are threatening to deny it a third Reading next Friday.

The rest of the Government's legislation—including the extension of the Dock Labour scheme, and the phasing out of pay beds and the Race Relations Bill—is likely to be allowed through eventually though there will be struggles over some of the Lords' amendments.

In the meantime, the Government is expected to issue the writs to-day for three by-elections on November 4 at Workington, Newcastle Central and Walsall North in a bid to strengthen their current Commons majority of two.

Conservative leaders have decided to postpone the Cambridge by-election until after the spill-over period.

Parliament Page 16

Milton Friedman wins Nobel Prize

PROFESSOR Milton Friedman, the most influential exponent of monetarist economics, has won the 1976 Nobel Prize for Economics. The Kr.681,000 (£98,000) prize was awarded to him yesterday by the Royal Swedish Academy of Sciences.

The citation acknowledges his work in consumption analysis and monetary history and theory and his demonstration of the complexity of stabilisation policy.

Prof. Friedman, of the University of Chicago, is the fourth American to win the Nobel economics prize outright since it was inaugurated in 1969. The Swedish Academy said the professor, leader of the so-called Chicago school, had stimulated a review of monetary policies pursued by central banks. He had in effect set off a renaissance in the understanding of the role of money in causing and dealing with inflation.

The academy said that from a purely scientific point of view some of his other studies, including his refashioning of the theory of consumption, were of greater interest than his more widely publicised monetarist theories.

Prof. Friedman has earned a reputation for dedication to social and economic freedom.

He was economic advisor to Dr. Barry Goldwater, the Republican Presidential nominee in 1964, and to President Nixon before and after his election in 1968.

The 1976 Nobel Prize for Medicine has been awarded jointly to two American medical researchers, Prof. Baruch S. Blumberg of the Institute for Cancer Research at Fox Chasel, Philadelphia, and Dr. Daniel Carlton Gajdusek of the Laboratory of Central Nervous System Studies, Bethesda, Maryland.

The award was made for the discovery of new mechanisms in the origin and dissemination of infectious diseases.

Editorial comment Page 22

State aid sought by Observer

By Adrian Hamilton

THE OBSERVER newspaper has been seeking financial assistance from the Government. It is thought that the Observer Trust, which holds the paper's shares, has been having talks for some weeks with the Department of Trade and Industry.

The move has embarrassed the Government, partly because of the political sensitivities involved in state aid to a single newspaper.

One solution might be to create a general aid scheme for the newspaper industry, particularly as Fleet Street is embarked on a costly programme of new technology.

But money is difficult to come by in view of public expenditure constraints, and the Government is reluctant to do anything for the industry as a whole before the Royal Commission on the Press reports next spring or summer.

Casual labour

Another possible solution which is thought to have been examined is aid under the various provisions for sustaining employment—more difficult in this case because of the high proportion of casual labour used by a Sunday newspaper.

The discussions come at a time of severe pressures on much of the national Press as a result of rapidly-escalating newsprint costs, responding to the fall in the pound, and sluggish recovery of the economy.

The Observer has faced sharp competition from the Sunday Telegraph, which recently took over its weekly colour magazine of the Daily Telegraph.

Figures for the first six months of the year, discloses that the Observer's circulation fell nearly 100,000 on the year to 677,504, while the Sunday Telegraph with a rather smaller drop, showed ahead at 733,225.

New bid to upset Cunard MFC deal

BY JOHN WYLES, SHIPPING CORRESPONDENT

TWO GERMAN shipping companies have launched a concerted bid to upset the Cunard Steam Ship Company's $102m. ship purchase deal with Maritime Fruit Carriers.

Willy Bruns, a small Hamburg shipping company, and Rudolf Oetker, an associate of one of Germany's leading companies, Hamburg Sud, have telegraphed a cash offer to Maritime's leading banking creditors, which is understood to be at least $2m. better than the one Cunard is proposing.

Cunard has won the support of most of the banks for its agreement with Maritime which was originally scheduled to be completed to-day. However, it has been held up by a High Court case over the sale by creditors of two vessels included in the Cunard agreement.

Maritime appealed against Wednesday's court ruling yesterday afternoon and if its appeal fails, the two ships will be sold to Willy Bruns, leaving just 10 to be acquired by Cunard.

Unless Cunard is able to compete its deal within a few days, the higher offer cabled by the German companies could find some takers among the banks.

The Germans have tabled a bid of $87.9m. for the 10 vessels which, on top of the $16.45 being paid for the two involved in the court case, exceeds the British company's bid by $2.35m.

If the German bid were successful, Maritime would face large tax claims from the British Government which have been sidestepped in the Cunard arrangement.

This would certainly destroy any prospects the company has of going ahead with about $70m. of shipbuilding orders placed with British yards.

The British merchant navy unions would be certain to oppose the sale of the Maritime ships abroad because they are all U.K.-registered and seafaring jobs would be at stake.

For shipbuilding and employment reasons, the Government would also oppose the sales, and could bring some pressure to bear as the guarantor of loans on five of the vessels.

However, it is thought that if the banks do decide to break away from Cunard, there is little the Government could do to dissuade them.

Continued from Page 1

September trade gap

offset by an abnormal deterioration in the oil, food and tobacco balances.

The terms of trade—the ratio of export prices to import prices —continued to show little change and are still at roughly the same level as at the beginning of the year, before the first sharp fall in the pound

Exporters have been keeping up their prices in terms of foreign currency, bringing in higher profits earlier.

There is a wide divergence of view outside Whitehall on the possible trend of imports and exports over the next 12 months, but it is clear that the Government will have to seek other borrowings in addition to the proposed $3.9bn. IMF standby, in order both to finance the current account deficit and for other uses.

Further nationalised industry borrowing in the Eurodollar market is regarded as the main additional sources of funds and the official view is that it is too early to talk about an EEC or Governemnt-to-Government loan since the main priority is the negotiation of an IMF loan.

But there are known to be differences of opinion within the Government on this issue at the political level. There is a strongly held view that a more fundamental scheme is needed to deal with the sterling balances and that any opportunity to arrange bilateral support in Europe should be welcomed.

Steel production hit

SEPTEMBER steel production averaged 429,600 tonnes a week. That was 39,000 tonnes a week below the weekly output of last May, before summer holidays started to affect the industry and before the British Steel Corporation ran into a series of technical problems with plants.

September production by both the public and private steel sectors in Britain was nearly 22 per cent. higher than a year ago, when the industry was in the depth of a recessison.

In the first nine months of this year British steel production has averaged 426,000 tonnes a week, representing an 11 per cent. increase on the first nine months of 1975.

THE LEX COLUMN

Furness repels the boarders

The trade figures—poor, but not disastrous—were the first of three statistical hurdles to be *jumped by the gilt-edged* market: the Retail Price Index comes to-day, the money supply figures on Monday. In the circumstances, with sterling very nervous, the authorities could hardly expect more than the £100m. or so put into the new long tap yesterday. Meanwhile David Charles, in receivership less than a year after its £2m. rights issue, must be counted as the first victim of Mr. Healey's 15 per cent. squeeze. Judging by its alarming story of bankers cutting back credit it will not be the last.

Index fell 2.9 to 289.0

STOCKBROKERS' RESEARCH

The 1976 Top Ten
(1975 rankings in brackets)

1	(1)	Wood Mackenzie
2	(3)	W. Greenwell
	(6)	Kemp-Gee
4	(2)	Hoare Govett
	(10)	James Capel
6	(3)	Kitcat and Aitken
	(—)	De Zoete and Bevan
8	(6)	Savory Milln
	(—)	Rowe and Pitman, Hurst Brown
10	(10)	Phillips and Drew

Source: Continental Illinois

Furness Withy

The Monopolies Commission has learnt an embarrassing lesson from the Herbert Morris affair—that although it can order a company to divest itself of shares if it decides that a merger is against the public interest, it has no powers to say *how the shares should be sold.* This will be small comfort to Eurocanadian, which has been told to reduce its holding in Furness Withy from 24.9 to 10 per cent. over the next two years. Most of its shares were bought at an average price of 203p against 129p (down 15p) in the market yesterday, which means that the book loss at present must be well over £4m.

Against that its holding in Manchester Liners is currently worth £8½m., just over £2m. more than cost. But the Monopolies ruling has turned this into an investment over which it can have no control and where the dividend yield at the purchase price is just 5 per cent. There must at least be a possibility that Eurocanadian will offer to sell these shares to Furness.

The report underlines the extremely wide scope of the Commission's powers, since it has ruled on three separate merger situations: Eurocanadian's ability to influence Furness with a shareholding of just over 20 per cent., the possibility of it actually achieving control in the Boardroom if its holding went up to 29.9 per cent., and thirdly its attempts to influence Manchester Liners. The most persuasive support for its conclusions comes from the almost unanimous hostility of third parties—most notably the customers—to any kind of deal being pushed through.

There is now the prospect of at least 4m. Furness shares coming up for sale in the next two years, and the dividend yield is still a little below the other majors. However, earlier this year Rea Brothers placed 2.2m. of the shares formerly held by Hambros without too much apparent difficulty.

Sears Holdings

The surprise in Sears' interim statement is the way footwear profits have taken off. Hit by the drought (and dwindling fields) betting has had a predictably bad time while the turnround into losses at Sears Incorporated has already been announced in the U.S. As it is, footwear has managed to keep profits overall on a relatively even keel with a drop —before tax and non-trading items—of just 8 per cent. to £15.28m. On the bottom line the deterioration extends to a full 30 per cent. following a £2.6m. turnround into a debit by non-trading items and a rising tax charge. But the U.S. apart, trading conditions are improving and the shares held steady enough yesterday.

Sears Incorporated is going to lose just as much this half with the plight of sterling aggravating the impact of a fairly ruthless stock clearout. But betting is recovering rapidly and footwear is still going strong with the latest turn in the weather leading to good sales of higher margin lines. The stores should emerge ahead with Selfridges (and the tourist trade) offsetting weakness in the provinces. So adjusting for last year's extra month in footwear (worth £2.2m.) the chances are that Sears can this year roughly maintain profits before non-trading items. And in 1977-78 a recovery in betting would bring in an additional £2m. while a possible break-[illegible] the U.S. would be worth [illegible] At 30½p the shares y[illegible] prospective 11.6 per cent[illegible]

Stockbrokers

After last year's [illegible] the 1976 survey of inve[illegible] analysts—conducted by [illegible]nental Illinois—has [illegible] nearly three times as [illegible] response from fund man[illegible] The new rankings of [illegible] broking firms show [illegible] Mackenzie holding on [illegible] place, based upon the [illegible] of times their analysts [illegible] among the top three [illegible] individual sectors. W[illegible] especially strong in [illegible] moving to the top in [illegible] both the life and com[illegible] insurance sectors. Gre[illegible] have slightly improved [illegible] position in second [illegible] challenged by Kem[illegible] Initial appearances in [illegible] Top Ten are made b[illegible] Zoete and Rowe and P[illegible] replacing Hedderwick, St[illegible] Williams de Broe and [illegible]pards and Chase.

But this is, of course [illegible] way to judge the overall [illegible] offered by a firm of br[illegible] In many cases the follow[illegible] achieved by individuals [illegible] than by the research [illegible]ments as a whole, and an[illegible] frequently move firm [illegible] abrupt changes in the [illegible] tables: Hedderwick and [illegible] for instance, have su[illegible] from this. Nor is it clea[illegible] research capacity relat[illegible] actual market share—firm[illegible] Cazenove Simon and [illegible] and Sebag come nowhe[illegible] these rankings but are [illegible] important forces in the m[illegible]place.

Berry Wiggins

A 3p rise to 26p in [illegible] Wiggins yesterday is mo[illegible] a reflection on some o[illegible] rumours which have bee[illegible] culating recently than o[illegible] quality of the interim state[illegible] The Algerian drilling co[illegible] has taken much longer t[illegible] under way than anticip[illegible] cost escalation clauses on [illegible] drilling contracts have not [illegible] implemented quickly en[illegible] and there is a small attribu[illegible] loss for the half year. [illegible] Algerian contract is "now [illegible] control" and the group an[illegible] financing arrangements [illegible] Manufacturers Hanover re[illegible] satisfactory and unchange[illegible] given the scale of its co[illegible]ments, a market capitali[illegible] of £4m. remains in the hig[illegible] category.

Weather

U.K. TO-DAY

WET and windy in most places.

London, S.E., Cent. S.E. and Cent. N. England, E. Anglia, Midlands, Channel Is., S.E. England, Wales

Cloudy with rain, heavy at times. Bright intervals. Winds strong to gale. Max. 13C (55F).

N.W. England, Lakes, I. of Man, Scotland, Glasgow, N. Ireland

Cloudy with rain, heavy at times. Bright intervals. Wind strong. Max. 12C (54F).

N.E. England, Borders, Edinburgh, Dundee

Cloudy with rain. Wind strong to gale. Max. 13C (55F).

Cent. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland

Cloudy with rain. Wind strong to gale. Max. 12C (54F).

Argyll, N.W. Scotland

Rain with bright intervals. Wind fresh to strong. Max. 12C (54F).

Outlook: Showers or longer outbreaks of rain with brighter intervals.

Lighting-up: London 18.40, Manchester 18.44, Glasgow 18.47, Belfast 18.57.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amsterdm	R	12	54	Manchestr	C	13	55
Athens	C	23	73	Melbourne	R	14	57
Barcelona	F	19	66	Milan	S	16	61
Belfast	R	8	46	Montreal	C	6	43
Belgrade	S	23	73	Moscow	S	−2	28
Berlin	C	15	59	Munich	F	14	57
Birmghm	R	11	52	Newcastle	C	11	52
Bristol	R	12	54	New York	C	14	57
Brussels	R	11	52	Oslo	Sn	−1	30
Budapest	R	18	64	Paris	C	16	61
B. Aires	S	20	68	Perth	C	22	72
Cairo	S	31	88	Prague	C	13	55
Cardiff	R	12	54	Reykjavik	C	6	43
Cologne	F	14	57	Rio de J'o	S	28	82
Copnhagn	C	9	48	Rome	S	20	68
Dublin	R	8	46	Singapore	C	29	84
Edinburgh	R	10	50	Stockholm	C	4	39
Frankfurt	F	13	55	Strasbourg	C	14	57
Geneva	R	12	54	Sydney	C	22	72
Glasgow	R	9	48	Tehran	S	24	75
Helsinki	S	8	46	Tel Aviv	C	26	79
Hong Kong	S	28	82	Tokyo	C	16	61
Jo'burg	C	24	75	Toronto	S	7	45
Lisbon	C	16	61	Vienna	S	16	61
London	R	12	54	Warsaw	D	10	50
Luxembrg	R	9	48	Zurich	F	13	55
Madrid	R	16	61				

HOLIDAY RESORTS

Biarritz	R	14	57	Jersey	C	11	52
Blackpool	R	11	52	Las Palmas	C	24	75
Bordeaux	C	16	61	Locarno	F	17	63
Boulogne	R	12	54	Majorca	S	22	72
Casablanca	F	23	73	Malaga	S	24	75
Cape Tn	C	20	68	Malta	F	21	70
Corfu	C	17	63	Nairobi	S	22	72
Dubrovnik	C	20	68	Naples	F	21	70
Faro	F	20	68	Nice	F	19	66
Florence	S	20	68	Oporto	C	17	63
Funchal	C	22	72	Rhodes	C	23	73
Gibraltar	C	21	70	Salzburg	C	14	57
Guernsey	R	10	50	Tangier	C	18	64
Innsbruck	S	17	63	Tenerife	C	19	66
Inverness	F	10	50	Tunis	C	23	73
I. of Man	R	11	52	Valencia	F	22	72
Istanbul	C	26	79	Venice	F	19	66

C—Cloudy. F—Fair. R—Rain. S—Sunny. Sn—Snow.

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